




Mafatlal

MAFATLAL INDUSTRIES LIMITED

104th

ANNUAL REPORT

2017-2018

ARVIND MAFATLAL GROUP

The ethics of excellence

Caution Forward-looking statements

This Annual Report (containing all the reports and information) may contain forward looking information to enable the investors to comprehend our prospects and take informed investment decisions. This report and other statements- written as well as the oral- that we periodically make, contain forward-looking statements that sets out anticipated results based on the management's plans and assumptions. We have tried, wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', projects, intends', 'plans', believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risk or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements whether as a result of new information, future events or otherwise.

Contents

Corporate Information

Mafatlal Industries Limited
(CIN L17110GJ1913PLC000035)

Board of Directors

Shri H. A. Mafatlal	(DIN:00009872)	Chairman
Shri V. R. Gupte	(DIN:00011330)	Director
Shri P. N. Kapadia	(DIN:00078673)	Director
Shri A. K. Srivastava	(DIN:00046776)	Director
Smt. L. P. Pradhan	(DIN:07118801)	Director
Shri G. G. Chakravarti	(DIN:00004399)	Director
Shri S. A. Shah	(DIN:00058019)	Director
Shri Aniruddha P. Deshmukh	(DIN: 01389267)	Managing Director & CEO
Shri Priyavrata H. Mafatlal	(DIN: 02433237)	Executive Director

Company Secretary

Shri Ashish A. Karanji

Auditors

M/s. Price Waterhouse Chartered Accountants LLP

Solicitors

Vigil Juris, Mumbai

Registered Office

301-302, Heritage Horizon, 3rd Floor, Off: C G Road, Navrangpura, Ahmedabad 380009.
Email: ahmedabad@mafatlals.com Website: www.mafatlals.com
Tel: 079 – 26444404-06 Fax: 079 26444403

Corporate Office

6th Floor, 'B' Wing, Kaledonia Building, Sahar Road, Opp. Vijay Nagar Society, Andheri (East), Mumbai - 400 069 Tel: 91 22 6771 3800 / 3900 Fax: 91 22 6771 3924 / 25

Units / Factories:

Nadiad

Kapadvanj Road, Nadiad-387 001

Navsari:

Vejalpore Road, Navsari - 396 445

Mazagaon, Mumbai:

(not in operation) Rambhau Bhogale Marg, Mumbai - 400 010

Shareholders' Information

104th Annual General Meeting on Tuesday, the 31st July, 2018 at 10.00 a.m. at J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad - 380 015

Registrar & Share Transfer Agents

Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032, India Tel: 040 6716 2222 Fax: 040 2342 0814
E-mail: einward.ris@karvy.com website: www.karvycomputershare.com

Investor Relations Centre

Karvy Computershare Pvt. Ltd.

(1) Ahmedabad Office

201, Shail Complex, Opp. Madhusudan House, Off: C G Road, Nr. Navrangpura Telephone Exchange, Ahmedabad 380006 Phone: 079-26400527,65150009 Email: ahmedabad@karvy.com

(2) Mumbai Office

24B, Rajabahadur Mansion, Ground floor, Ambalal Doshi Marg, Fort, Mumbai 400 023. Tel. 022-66235454 Fax 022-66331135

Notes

1. Trading in Equity Shares of the Company is permitted only in dematerialized 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 the Listing Fees for the Exchange have been paid by the Company for the year 2018-19.
3. Shareholders are requested to notify change in address, if any, immediately to the Registrar & Transfer Agents at the above address mentioning their Folio Numbers along with valid proof of their new address.
4. Shareholders intending to require information about accounts to be explained at the Meeting are requested to inform the Company at least seven days in advance of the Annual General Meeting.
5. Shareholders are requested to bring their copy of the Annual Report at the Meeting as the practice of handing out copies of the Annual Report at the Annual General Meeting has been discontinued since long in view of the high cost of paper and also printing. A soft Copy of this Annual Report is available at www.mafatlals.com under "Financial & Disclosure" Section, which is available for download by shareholders.
6. Notice of E-voting is issued to all shareholders along with this annual report. Please note the following:.
   - Commencement of remote e-voting: 9.00 a.m. on 28th July, 2018.
   - End of remote e-voting: 5.00 p.m. on 30th July, 2018.
   - Declaration of Results of Voting: within 48 Hours of 104th AGM.

NOTICE

NOTICE IS HEREBY GIVEN THAT the **104th** Annual General Meeting of the Members of **Mafatlal Industries Limited** will be held on **Tuesday, the 31st day of July, 2018 at 10.00 a.m. at J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad-380 015**, to transact the following business:

ORDINARY BUSINESS

(1) To consider and adopt the Audited Financial Statements (Standalone & Consolidated, both) for the financial year ended 31st March, 2018 including Statement of Profit & Loss for the year ended 31st March, 2018 and the Balance Sheet as at that date, the Directors' Report and the Auditor's Report thereon.

(2) To appoint a Director in place of Shri Aniruddha P Deshmukh (DIN 01389267) who retires by rotation and being eligible, offers himself for re-appointment.

(3) 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 139 and other applicable provisions, if any of the Companies Act, 2013 and Rules made thereunder, the appointment of M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) as Auditors of the Company approved by Ordinary Resolution passed at the 103rd Annual General Meeting of the Company to hold office from the conclusion of the 103rd Annual General Meeting until the conclusion of 108th Annual General Meeting, be and is hereby ratified for the balance term and accordingly, they continue to hold office until the conclusion of the 108th Annual General Meeting on such remuneration as may be fixed by the Board, apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit."

SPECIAL BUSINESS

(4) 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 196, 197,198, and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 including any statutory modification/s or re-enactment/s thereof, for the time being in force, approval of the members of the Company be and is hereby accorded to the payment of remuneration to Shri Aniruddha P. Deshmukh (DIN: 01389267), Managing Director & Chief Executive Officer (MD & CEO) of the Company, as mentioned in the explanatory statement (who was appointed for a period of five years w.e.f. 13th August, 2015) for his remaining term of two years i.e. from 13th August, 2018 to 12th August, 2020 notwithstanding it being in excess of the limits prescribed under the said provisions of Section 197 of the Companies Act, 2013 but subject to the maximum limits specified in Section II of Schedule V to the Companies Act, 2013 "

(5) 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, the payment of Remuneration of ₹6,25,000/- (Rupees Six Lakhs Twenty Five Thousand only) (plus taxes and re-imbursement of out-of-pocket expenses incurred by them 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 products 'Textiles' manufactured and traded by the Company for the year 1st April 2018 to 31st March 2019 be and is hereby approved and ratified."

(6) 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 Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modifications or re-enactment thereof, for the time being in force and other applicable provisions, if any, and subject to requisite approvals from the concerned Stock Exchange/s and other appropriate statutory authorities, as may be necessary, the consent of the Members of the Company be and is hereby accorded to reclassify the following persons/entities from the existing "Promoter" and "Promoter Group" category to "Public" category":-

Sr. No.	Name	No. of shares held in the Company as of date i.e. 3rd May, 2018
1	Shri Vishad Padmanabh Mafatlal	0
2	Smt Rupal Vishad Mafatlal	0
3	Milap Texchem Pvt Ltd	0
4	Pamil Investments Pvt Ltd	0
5	Mafatlal Exim Private Limited	0
6	Mafatlal Impex Private Limited	0
7	Navin Fluorine International Limited (NFIL)	386332

"RESOLVED FURTHER THAT any one of the Whole-time Directors or the Company Secretary or the Chief Financial Officer of the Company be and is hereby authorized to submit necessary application for re-classification to the concerned Stock Exchange/s wherein the securities of the Company are listed or to any other Regulatory Authority, as may be required, and to take such steps as may be necessary, desirable and expedient to give effect to this Resolution".

By Order of the Board
For Mafatlal Industries Limited

Place: Mumbai
Dated: 3rd May, 2018

Ashish A. Karanji
CompanySecretary

Regd. Office:

Mafatlal Industries Limited (CIN L17110GJ1913PLC000035) 301-302, Heritage Horizon, 3rd Floor, Off: C G Road, Navrangpura, Ahmedabad 380009.Tel: 079 – 26444404-06 Fax: 079 26444403, Email: ahmedabad@mafatlals.com Website: www.mafatlals.com

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.** Instrument appointing a proxy duly completed in all respects should reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

2. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item Nos. 4 to 6 mentioned in the above Notice, is annexed hereto marked as Annexure I to this notice.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from **Wednesday, 25th July, 2018 to Tuesday, 31st July, 2018 (both days inclusive) for the purpose of annual closing and Annual General Meeting.**

4. **Members are requested to note that pursuant to the provisions of Section 124 of the Companies Act, 2013 the dividend remaining unclaimed / unpaid for a period of seven years from the relevant date shall be credited to the Investor Education and Protection Fund (IEPF) set up by the Central Government. The details of the Members, who have not encashed their dividend warrants for earlier years, are available under the 'Financials' section on the Website of the Company viz. www.mafatlals.com. Members who have not encashed their dividend warrants of earlier year/s are advised to write to the Company immediately claiming their dividends declared by the Company.**

5. 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.

6. 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 Notice.

7. Pursuant to the Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the requisite information with respect to the Director seeking appointment/re-appointment is annexed hereto and marked as **Annexure II** to this notice.

ANNEXURE I 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 Items of Special Business mentioned at Sr. No.4 to 6 of the Notice dated 3rd May, 2018.

In respect of Item No. 4

The Board of Directors of the Company appointed Shri Aniruddha P. Deshmukh as the Managing Director & Chief Executive Officer of the Company for a period of five years with effect from 13th August 2015. The Shareholders by special resolution approved his appointment and remuneration for the said period of five years at 102nd Annual General Meeting held on 11th August, 2016. As per the said special resolution, the Board of Directors of the Company was authorised to amend, alter or vary in any manner, the terms and conditions of the said appointment (Including remuneration) subject to the provisions of the Companies Act, 2013 and as may be agreed between the Board of Directors and Shri Aniruddha P Deshmukh. It was also resolved that in the event of absence or inadequacy of profits of the Company he be paid the said remuneration as minimum remuneration subject to the terms and upto the maximum limits prescribed under Schedule V to the Companies Act, 2013. As provided in the provisions of the said schedule V, authorization under the said special resolution to pay the said remuneration as minimum remuneration in the event of inadequacy of profits is valid for a period not exceeding three years. Accordingly, the said term of three years for payment of remuneration in case of absence of profits is expiring on 12th August, 2018 and hence the special resolution is proposed for the consideration of members of the Company for their approval for payment of remuneration for remaining term of two years until 12th August, 2020.

The terms of remuneration of Shri Aniruddha P Deshmukh w. e. f. 13th August, 2015 was as follows:

I (a) Basic Salary: ₹ 90,00,000/- per annum i.e. ₹ 7.5 lacs per month or such higher amount as may be decided by the Board of Directors from time to time.

(b) Perquisites & Allowances, the aggregate monetary value of which shall not exceed ₹ 34,74,700/- per annum. These perquisites and allowances would be in addition to the items mentioned in clause “c”, “d “and “e” below:

(c) Perquisites:

i. Fully furnished house or house rent not exceeding ₹ 45,00,000/- per annum in lieu thereof;

ii. Mediclaim Policy, Personal Accident Insurance, Leave Travel Concession and Club Fees as per the rules of the Company.

Perquisites will be valued as per the Income Tax Rules, wherever applicable, and in the absence of such Rules, the perquisites will be valued at the actual cost to the Company.

(d) Payments and Provisions which shall not be included in the computation of remuneration or perquisites as aforesaid, subject to the provisions of Schedule V to the Companies Act, 2013:

i. Contribution to provident fund, or superannuation fund or Annuity fund to the extent these, either singly or together are not taxable under the Income Tax Act, 1961

ii. Gratuity payable at the rate not exceeding half a month’s salary for each completed year of service and

iii. Encashment of leave at the end of the tenure.

(e) Apart from remuneration, Shri Aniruddha P. Deshmukh will be entitled to:

i. Free use of the Company’s car for the business of the Company with reimbursement of driver’s salary.

ii. Free telephone facility at residence and use of mobile phone facility

iii. Reimbursement of expenses actually and properly incurred by him for the business of the Company.

II. Commission, up to 1% of net profit of the Company at the discretion of the Board, at the end of each financial year, computed in the manner laid down in the provisions of Section 198 of the Companies Act, 2013 or performance linked incentives in lieu thereof subject to the ceiling laid down in Section 197 of the Companies Act, 2013 on total remuneration. Further that the amount of such commission or performance linked incentives shall not exceed the amount equal to 2 (Two) times of the annual basic salary.

III. In case of absence or inadequacy of profits in any financial year of the Company, Shri Aniruddha Deshmukh will be entitled to salary, perquisites, and other allowances as the minimum remuneration subject to the maximum limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013.

The perquisites mentioned in para I (d) above shall not be included in the computation of the ceiling on minimum remuneration to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Thereafter, as authorised by the special resolution passed at the 102nd Annual General Meeting, the Board of Directors of the Company at their meeting held on 25th October, 2016 has, based on the recommendation of the Nomination & Remuneration Committee made on 25th October, 2016, approved revision in remuneration w.e.f. 1st October, 2016 as under:

I (a) Basic Salary: ₹ 98, 00,004/- p .a.

(b) Allowances, the aggregate monetary value of which shall not exceed ₹ 85,72,512/- p.a. These perquisites and allowances would be in addition to the items mentioned in clause "c", "d "and "e" below:

(c) Perquisites:

i. Fully furnished house or house rent not exceeding ₹ 49,00,008/- p.a. in lieu thereof;

ii. Medi Claim Policy, Personal Accident Insurance, Leave Travel Concession and Club Fees as per the rules of the Company.

Perquisites will be valued as per the Income Tax Rules, wherever applicable, and in the absence of such Rules, the perquisites will be valued at the actual cost to the Company.

(d) Payments, Provisions & Entitlements in terms of Contribution to Provident Fund, Superannuation Fund /Annuity Fund, Gratuity and other benefits will be as per the Rules of the Company.

(e) Apart from remuneration, Shri Aniruddha P Deshmukh will be entitled to:

i. Free use of company's car for the business of the Company with reimbursement of driver's salary.

ii. Free telephone facility at residence and use of mobile phone facility

iii. Reimbursement of expenses actually and properly incurred by him for the business of the Company.

II. Commission, up to 1% of net profit of the Company at the discretion of the Board, at the end of each financial year, computed in the manner laid down in the provisions of Section 198 of the Companies Act, 2013 OR performance linked incentives in lieu thereof subject to the ceiling laid down in Section 197 of the Companies Act, 2013 on total remuneration. Further that the amount of such commission or performance linked incentives shall not exceed the amount equal to 2 (Two) times of the annual basic salary.

III. In case of absence or inadequacy of profits in any financial year of the Company, Shri Aniruddha P Deshmukh will be entitled to salary, perquisites, and other allowances as the minimum remuneration subject to the maximum limits and conditions prescribed in Schedule V to the Companies Act, 2013. The following payments/provisions shall not be included in the computation of remuneration or perquisites in terms of the provisions of Schedule V to the Companies Act, 2013 to the extents of:

i. Contribution to provident fund, or superannuation fund or Annuity fund to the extent these, either singly or together are not taxable under the Income Tax Act, 1961

ii. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service and

iii. Encashment of leave at the end of the tenure with liberty and authority to the Board of Directors of the Company to amend, alter or vary in any manner, the terms and conditions of said appointment or applicable agreement from time to time as may be permitted under the provisions of the Companies Act, 2013 or any amendment thereto or any re-enactment thereof and as may be agreed between the Board of Directors and Shri Aniruddha P Deshmukh."

The Board of Directors of the Company at their meeting held on 3rd May, 2018 based on the recommendation of the Nomination & Remuneration Committee Meeting held prior thereto, approved (subject to the approval of the members of the Company) the payment of remuneration for a further term of two years until 12th August, 2020 on the said last remuneration approved by Board as minimum remuneration even in the event of absence of or inadequacy of profits of the Company subject to the maximum ceiling prescribed in Schedule V to the Companies Act, 2013

It may be noted that Shri Aniruddha P. Deshmukh has not been paid any commission/bonus based on the profitability of the Company for any time during his tenure. The further details as required under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed hereto and marked as Annexure II to this notice is also part of this explanatory statement and this notice.

Having regard to the qualifications, experience, expertise and the contribution made by Shri Aniruddha P Deshmukh, the Board recommends for the approval by the members of the Company by way of special resolution for payment of said remuneration for the remaining term of two years as mentioned hereinabove.

Copies of the resolutions passed by the Nomination and Remuneration Committee and also the Board of Directors as mentioned hereinabove are available for inspection by the Members at the Registered Office of the Company during working hours on all working days (Monday-Friday) except holidays up to the date of this ensuing Annual General Meeting.

None of the other Directors or Key Managerial Personnel and/or their relatives is concerned or interested in the Resolution except Shri Aniruddha P. Deshmukh.

In respect of Item No. 5:

In accordance with the provisions of Section 148(2) and 148(3) read with The Companies (Cost Records and Audit) Rules, 2014, the Company is required to appoint a Cost Auditor for audit of Textiles Products manufactured by the Company. Based on the 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 Textiles Unit of the Company at Nadiad, Denim Unit of the Company at Navsari and the Marketing Services Division of the Company at Mumbai relating to the 'Textiles' product manufactured and traded by the Company for the year 1st April, 2018 to 31st March, 2019 on a proposed remuneration of ₹6,25,000/- plus taxes and re- imbursement of out of pocket expenses incurred for the purpose of audit.

None of the Directors, Key Managerial Personnel and/or their relatives is concerned or interested in the resolution. The Board of Directors recommend passing of the Resolution at Item No. 5 of the Notice.

In respect of Item No. 6:

As reported to the shareholders in the Directors Report for the year 2016-17, Shri H. A. Mafatlal, Shri V P Mafatlal, their family members, family trusts and the Companies within their control including the three listed entities viz. the Company, Navin Fluorine International Limited (NFIL) and NOCIL Ltd. (NOCIL) entered into an agreement to amicably restructure the shareholding of the said listed entities and other companies in such a way that the Management of the Company and NOCIL reside with Shri H A Mafatlal and the Management of NFIL reside with Shri V P Mafatlal. The said restructuring is a part of family settlement and succession plan between the promoters.

Pursuant to the said arrangement, in August 2016, Shri H A Mafatlal stepped aside as the Executive Chairman and Director of NFIL. Thereupon, Shri V P Mafatlal (who was then a Non-Executive Promoter Director of NFIL) was appointed as the Executive Chairman of NFIL. Besides, Shri V P Mafatlal resigned as Executive Vice-Chairman (whole time director) of our Company.

Further, the Company has divested part of its shareholding (71,575 equity shares) in NFIL during the year 2016-17 and remaining part of its holding (1,18,389 equity shares) during 2017-18. As of date, the Company does not hold any shares in NFIL.

Subsequently, the Company received applications from the following entities (hereinafter referred to as "applicants") for reclassification of their Shareholding status from "Promoter" and "Promoter Group" to "Public".

Sr. No.	Name	No. of shares held in the Company as of date i.e. 3rd May, 2018
1	Shri Vishad Padmanabh Mafatlal	0
2	Smt Rupal Vishad Mafatlal	0
3	Milap Texchem Pvt Ltd	0
4	Pamil Investments Pvt Ltd	0
5	Mafatlal Exim Private Limited	0
6	Mafatlal Impex Private Limited	0
7	Navin Fluorine International Limited (NFIL)	386332

(NFIL applied to the Company on 5th May, 2017 and the remaining persons/entities applied to the Company on 30th April, 2018.)

The said applications were approved by the Board of Directors of our Company at the meetings held on 5th May, 2017 and 3rd May, 2018.

After obtaining approval from the members of the Company as per the special resolution proposed as aforesaid, the requisite applications seeking reclassification will be made by the Company in conformity with the applicable provisions of law. It is pertinent to note that the provisions of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides a regulatory mechanism for reclassification of “Promoter” as “Public Shareholders” subject to fulfillment of conditions as provided therein. The proposed reclassification is not pursuant to Regulations 31A (5) or (6) of the aforesaid Regulations since neither new promoters are replacing the previous promoters nor is the listed company becoming professionally managed without identifiable promoter. However, as a matter of abundant precaution, it is proposed to take the approval of the Members of the Company for the proposed reclassification.

The applications for reclassification have been made by the said applicants on the following representations and grounds:

1. The applicants do not have any special rights and there is no voting arrangement (formal or informal) with any other party.
2. Neither the applicants nor their promoters directly or indirectly exercise control over the affairs of the Company.
3. The applicants along with persons acting in concerts with them do not hold more than 10% of the paid-up equity capital in the Company.
4. No regulatory action is pending against the applicants who wish to be reclassified as public.
5. The applicants and their promoters and relatives shall not act as Key Managerial Personnel of the Company.

In view of the aforesaid facts and circumstances, the Board of Directors recommends passing of the Resolution at Item No.6.

None of the Directors, Key Managerial Personnel and/or their Relatives are concerned or interested in the Resolution. Shri H A Mafatlal and Shri Priyavrata H Mafatlal being relatives of Shri V P Mafatlal they may be deemed to be concerned or interested in the resolution.

By Order of the Board
For Mafatlal Industries Limited

Place: Mumbai
Dated: 3rd May, 2018

Ashish A. Karanji
CompanySecretary

Regd. Office:

Mafatlal Industries Limited (CIN L17110GJ1913PLC000035) 301-302, Heritage Horizon, 3rd Floor, Off: C G Road, Navrangpura, Ahmedabad 380009.Tel: 079 – 26444404-06 Fax: 079 26444403, Email: ahmedabad@mafatlals.com Website: www.mafatlals.com

Annexure II to Notice

Particulars of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of the Director & Brief Resume	Nature of Expertise in specific functional area	Disclosure of relationship between Directors inter-se	Names of the Listed Entities in which the person holds the directorship and membership of the committees of the Board.	Shareholding of Director
Shri Aniruddha P. Deshmukh (60 years) He is a Mechanical Engineer from VNIT Nagpur and has done his Post Graduation in Business Management from IIM, Calcutta. He is appointed as Managing Director & Chief Executive Officer of the Company for a period of five years w.e.f. 13th August, 2015 subject to the approval of the shareholders	He has work experience of over 34 years in the field of Textiles marketing and Retail	Not Related to any Director or promoter at any time	He is not holding Directorship in any other Listed Company. He does not hold any Committee membership in any Listed Company.	He is not holding any Equity Shares in the Company. However he has been granted 18000 options (ESOPs) under Mafatlal Employee Stock Option Scheme, 2017. None of the options has vested/ exercised as of date.

Summarised Financial Data

₹ in Lakhs

Particulars	2008 - 09	2009 - 10	2010 - 11
		(14 MONTHS)	(13 MONTHS)
	1	2	3
PROFIT & LOSS ACCOUNT			
Total Income	54,998.06	30,913.02	70,525.95
Profit before Depreciation, Interest, Exceptional Items and Tax	35,183.24	7,164.51	36,024.71
Exceptional Items	-	-	16,086.77
Finance costs	(1,014.50)	(557.56)	(1,085.88)
Depreciation, Amortisation and Impairment	(402.02)	(332.51)	(252.48)
Profit before Tax	33,766.72	6,274.44	50,773.12
Profit after Tax	33,750.72	5,176.30	38,056.00
Dividend (₹ per share)			
Earning per share (EPS) ₹	675.01	71.16	387.78
BALANCE SHEET			
Net Fixed Assets	3,373.55	1,975.17	1,613.34
Investments	16,567.45	12,477.61	5,477.25
Current Assets (Net)*	(11,407.63)	(3,499.36)	41,657.38
Miscelleanous Exps not W/Off	0.75	-	-
Total Application	8,534.12	10,953.42	48,747.97
Borrowings	10,053.15	7,296.15	7,034.70
Net Worth:			
Share Capital	9,499.94	6,981.32	6,981.32
Reserves	(11,018.97)	(3,324.05)	34,731.95
	(1,519.03)	3,657.27	41,713.27
Total Sources	8,534.12	10,953.42	48,747.97
Book value per Equity Share (₹)	-	50.30	425.04
(Face value - ₹10 per Share)			
Debt / Equity Ratio	-	1.99	0.17
Operating EBIDTA (%)	64%	23%	51%
Profit After Tax (%)	61%	17%	54%
Return on Net Worth (%)	-183%	484%	168%
Return on Capital Employed	279%	70%	174%

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

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

Figures are stated as per the Annual Report of 2017 - 2018

Summarised Financial Data

₹ in Lakhs

2011 - 12	2012 - 13	2013 - 14	2014 - 15	2015 - 16	2016 - 17	2017 - 18
(9 MONTHS)						#
4	5	6	7	8	9	10
18,069.79	84,038.13	93,549.12	104,469.00	134,465.93	128,068.39	1,20,049.63
(1,096.70)	8,999.05	4,610.45	5,018.17	6,119.18	5,503.97	2,524.30
(5,040.76)	697.74	736.77	898.63	-	(869.94)	-
(245.11)	(3,199.92)	(1,489.45)	(1,684.05)	(2,116.12)	(2,620.14)	(3,108.54)
(203.42)	(1,444.05)	(1,834.60)	(1,671.14)	(2,119.18)	(2,705.59)	(3,610.59)
(6,585.99)	5,052.82	2,023.17	2,561.61	1,883.88	(691.70)	(4,194.82)
(5,185.99)	3,715.93	2,393.38	2,437.49	1,712.38	(214.53)	(4,177.82)
	+ 5	3	3	3	3	
(52.84)	26.71	17.20	17.52	12.31	(1.54)	(30.03)
2,003.60	15,648.04	17,273.65	20,091.35	22,256.58	29,717.02	30,194.49
5,009.80	4,871.58	4,865.37	4,788.97	4,794.09	6,221.29	50,188.18
27,067.95	24,293.87	23,154.29	25,157.03	33,129.64	25,996.16	22,817.54
-	-	-	-	-	-	-
34,081.35	44,813.49	45,293.31	50,037.35	60,180.31	61,934.47	1,03,200.21
554.07	8,997.04	10,571.81	13,492.29	22,425.23	24,393.92	23,359.75
3,981.32	4,391.22	1,391.22	1,391.22	1,391.22	1,391.22	1,391.22
29,545.96	31,425.23	33,330.28	35,153.84	36,363.86	36,149.33	78,449.24
33,527.28	35,816.45	34,721.50	36,545.06	37,755.08	37,540.55	79,840.46
34,081.35	44,813.49	45,293.31	50,037.35	60,180.31	61,934.47	1,03,200.21
341.63	257.43	249.56	262.67	271.37	269.83	573.86
0.02	0.25	0.30	0.37	0.59	0.65	0.29
-6%	11%	5%	5%	5%	4%	2%
-29%	4%	3%	2%	1%	-0.2%	-3.5%
-14%	10%	7%	7%	5%	-1%	-5%
-15%	18%	8%	8%	7%	3%	-1%

Directors' Report

To
The Members,

Mafatlal Industries Limited

Your Directors present the 104th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2018.

Pursuant to the Notification issued by the Ministry of Corporate Affairs, your Company has adopted Indian Accounting Standards (Ind AS) w.e.f. April 01, 2017. Accordingly, these are the first Financial Statements prepared as per Ind AS.

1. **Financial Results:**

The Financial Results of the Company are as under:

(₹ in Lakhs)

	Current Year 2017-18	Previous Year 2016-17
Revenue from Operations	**116,760.04**	123,885.23
Other Income	**3,289.59**	4,792.97
Total Income / Revenues	**120,049.63**	128,698.20
EBIDTA	**2,524.31**	6,312.58
Less: Depreciation	**3,610.59**	3,237.67
Finance Costs	**3,108.54**	2,658.40
Profit before Exceptional Items	**-4,194.82**	416.51
Exceptional Items (Net)	**0.00**	-467.15
Profit before Taxes	**-4,194.82**	-50.64
Tax (Expense) / Benefits	**17.00**	463.04
Profit after Taxes	**-4,177.82**	412.40

2. **Year in Retrospect:**

During the year under review, Textile industry was plagued with series of macro level challenges leading to all round underperformance. Your company's business pivots around domestic trade segment. The company has to rely for growth of its business on the strength of its distribution network of Dealer, Distributors, Retailers etc to push the sale of fabrics in the retail markets. The majority of the trade partners are part of unorganized sector of India and not used to the banking system for carrying out financial transactions. While textile trade fraternity was yet trying to resurrect from the effects of demonetization, there came another blow in the form of introduction of Goods & Service Tax (GST). As it is known, Textile industry (especially fabric) was hitherto more or less outside the ambit of excise duty & sales tax. Hence entire trade fraternity was against the move of introduction of GST for Textile industry and this led to various protests, agitations and strikes. The domestic trade was not at all prepared for GST compliance and hence sales in domestic market paralyzed for 2-3 months post GST implementation causing widespread disruption. This led to substantial inventory build-up with the mills which created distress selling scenario putting huge pressure on selling prices. The impact was catastrophic for Denim fabric as there is huge overcapacity in domestic market.

Against this backdrop, it became impossible for your company defend its operating margins leading to losses. Total Revenue fell by 7% to ₹ 120,050 Lakhs, EBIDTA went down by 60% to ₹ 2524 Lakhs leading to a Net Loss for the year of ₹ 4178 Lakhs as against a Net Profit of ₹ 412 Lakhs for the previous year.

Further for FY 2017-18, the Company had higher Finance Cost & Depreciation charge since we implemented the capacity expansion projects leading to higher term borrowings and increase in fixed assets. The interest cost was also higher as working capital requirement went up, eventhough sales was down, as Textile industry was beset with liquidity crisis.

Your Directors are of the view that the pain may continue during FY 2018-19 especially in the Denim market. Your Company is taking several initiatives aimed at turn around of its business in the area of product development to produce differentiated & value added products, aggressive thrust on exports and forming strategic relationship with customers. Your company is also looking at downsizing in certain areas of manufacturing to remain competitive and is taking several initiatives to improve manufacturing efficiency and cost reduction to improve the operating margins.

During the year under review, your company has repaid long term borrowings amounting to ₹ 3,631 Lakhs as per scheduled timeline and raised ₹ 667 Lakhs to part finance capital expenditure plans being implemented. Your company expresses gratitude to all the term loan and working capital lenders for their continuing support and faith in the company.

During the year, the Company has sold its non core investments (6250 equity shares) in Navdeep Investments Ltd. Beside, as a part of restructuring of shareholding of promoters, the Company sold 118,389 equity shares of Navin Fluorine International Limited.

During the year Credit Analysis & Research Limited (CARE) has revised credit rating of the Company from CARE BBB to "CARE BBB-(negative) for the long term facilities having tenure of more than one year and also revised rating for short term facilities from its "CARE A3+" to "CARE A3" for the short term facilities having tenure of up to one year.

Pursuant to the disclosure requirements, it is pertinent to note here that there has been no change in nature of business during the year under review and no order has been passed by any Regulatory or Court or Tribunal, which can impact the going concern status of the Company and its Operations in the future. A detailed analysis of the financial results is given in the Management Discussion and Analysis Report which forms part of this report.

3. Dividend:

The Board of Directors regret their inability to recommend any dividend for the year 2017-18 in view of the Loss for the financial year ended 31st March, 2018 and accordingly, has not recommended any dividend.

4. Restructuring of Promoters Shareholding & reclassification of Promoters holding:

As reported earlier, during the year 2016-17 Shri H A. Mafatlal, Shri V. P. Mafatlal, their family members, family trusts and the Companies including the three listed entities viz. the Company, Navin Fluorine International Limited (NFIL) and NOCIL Ltd. entered into an agreement to amicably restructure the shareholding of the three listed companies and other group companies in such a way that the Management of the Company and NOCIL Ltd. reside with Shri H. A. Mafatlal and the Management of NFIL reside with Shri V. P. Mafatlal. The restructuring is part of a family settlement and succession plan between Shri H. A. Mafatlal and Shri V. P. Mafatlal. Pursuant to the above, the Company has already divested its shareholding in Navin Fluorine International Limited and increased its shareholding in NOCIL Ltd.

Accordingly, it is proposed to re-classify Shri V P Mafatlal and his Associates including Navin Fluorine International Limited as Promoters of the Company and categorize them as non-promoter general public for all purposes for which requisite resolution has been proposed at the ensuing AGM for approval.

5. Details of changes of Directors and Key Managerial Personnel:

There is no change in Directors and Key Managerial Personnel for the year 2017-18. Pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Aniruddha P Deshmukh, a director is liable to retire by rotation and being eligible offers himself for reappointment. Accordingly, the requisite resolution is proposed at the ensuing Annual General Meeting for approval.

6. Employee Stock Option Scheme, 2017:

The shareholders of the Company at 103rd Annual General Meeting held on 2nd August, 2017 consented for creation of 6,95,000 options employee stock option pool under Mafatlal Employee Stock Option Plan, 2017 by way of special resolution. The Board of Directors of the Company has, as per the recommendation of Nomination & Remuneration Committee (NRC) approved “Mafatlal Employees Stock Option Plan 2017. Thereafter, NRC has at their meeting held on 10th November, 2017 approved the grant of 1,38,000 options to certain senior management employees. The further disclosures as required under SEBI Employee Share Based Benefits Regulations, 2016 are provided in annexure III to this report alongwith other disclosures.

7. Subsidiaries, Associates and Joint Ventures:

The financial position of the subsidiary company viz. Mafatlal services Limited is given in the Notes to Consolidated Financial Statements. The Company does not have any material subsidiary. The Policy on Material Subsidiary framed by the Board of Directors of the Company is available on https://www.mafatlals.com/wp-content/uploads/2017/08/policy_on_materiality_of_subsidiary.pdf. The audited accounts of Mafatlal Services Limited, a subsidiary of the Company, for the year ended 31st March, 2018 is placed on the Company’s website www.mafatlals.com and is also open for inspection by any member at the Registered Office of the Company on any working day (Monday-Friday) during working hours and the Company will make available these documents upon request by any member of the Company who may be interested in obtaining the same.

As reported last year also, Al Fahim Mafatlal Textiles LLC (UAE) remained non-operational and since there is no foreseeable beneficial future, the Board of Directors of the Company and the JV Partner have consented for voluntary winding up/closure of that entity. The Company has also written to the Ministry of Commerce, Department of Economic Development, Dubai that there has been no operation of the said JV Company from 2016 and accordingly we have not applied for renewal of license. Accordingly, the audited accounts of that JV Company are not available and the same are not consolidated with the Accounts of the Company for the year 2017-18.

8. Deposits:

The Company does not have “Deposits” as contemplated under Chapter V of the Companies Act, 2013. Further, the Company has not invited or accepted any such deposits during the year ended 31st March, 2018.

9. Internal Financial Controls:

The existing internal financial controls are adequate and commensurate with the nature, size, complexity of the Business and the Business Processes followed by the Company. During the year, the Company has laid down the framework for ensuring adequate internal controls over financial reporting and such Internal Financial Controls have been reviewed by Independent Experts to ensure its effectiveness who have confirmed that such controls are adequate and operating effectively.

10. Directors' Responsibility Statement:

As required under the provisions of Section 134 (5) of the Companies Act, 2013, your Directors state that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) 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 loss of the Company for the period under review;

(iii) 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) the directors have prepared the annual accounts on a 'going concern' basis;

(v) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

(vi) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. Industrial Relations:

The relations between the employees and the Management have remained cordial and harmonious during the year under review. The total number of permanent employees as on 31st March, 2018 were 2939 (2808 in previous year).

12. Insurance:

The properties and insurable interests of your Company like buildings, plant and machinery, stocks etc. are adequately insured by the Company. Further disclosure on Risk Management of the Company has been made under the Corporate Governance Report which forms a part of this report.

13. Corporate Social Responsibility (CSR):

Mafatlal Industries Ltd., a part of Arvind Mafatlal Group, has been fulfilling its corporate social responsibilities for over 50 years much before CSR has been prescribed statutorily. The focus area of our working has been in the field of poverty alleviation, health care, education for young children and women's upliftment in rural India.

In conformity with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has a CSR Committee which presently comprises of Shri H. A. Mafatlal who is the Chairman of the said Committee, Shri A. K Srivastava and Shri Sujal Shah (Independent Director) are other Members of the Committee.

Based on the recommendations of the CSR Committee, the Board of Directors have formulated a CSR Policy encompassing the Group's and the Company's philosophy for describing its responsibility as a corporate citizen and laid down the guidelines and mechanisms for undertaking socially relevant programs, in conformity with the statutory provisions which is posted on the website of the Company and available on web link https://www.mafatlals.com/wp-content/uploads/2017/08/corporate_social_responsibility_policy.pdf.

As per the provisions of section 135 read with the Section 198 of the Companies Act, 2013, the Company does not have CSR Obligation for the year 2017-18. Accordingly, there has been no meeting of CSR Committee held during the year. The statutory disclosures with respect to CSR is annexed hereto forming a part of this report.

14. Related Party Transactions:

There are no materially significant related party transactions made by the Company during the year. Related Party Transactions Policy is posted on the website of the company and is available at https://www.mafatlals.com/wp-content/uploads/2017/08/related_party_policy.pdf. The details of all the transactions with the related parties are disclosed in the Notes forming part of financial statements annexed to the financial statements for the year 2017-18.

All the Related Party Transactions entered in to by the Company are in ordinary course of business and on an arm's length basis except the promoters shareholding changes (selling of shares of Navin Fluorine International Limited and purchase of shares of NOCIL Limited by the Company) which were on an arms' length basis, for which requisite approvals from the Audit Committee and the Board of Directors were obtained. The transaction amounts were not exceeding the applicable statutory limits and therefore no approvals from the shareholders were required.

15. Management Discussion and Analysis Report & Corporate Governance:

As required under Schedule V (B) and (C) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, "Management Discussion and Analysis Report" as well as "Corporate Governance Report", are attached herewith and marked as Annexure I & II respectively and the same forms part of this 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 statutory auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed to the Report on Corporate Governance.

16. Other Statutory disclosures:

The other statutory disclosures pursuant to Sections 134, 135, 188, 197 and other applicable provisions of the Companies Act, 2013 read with related rules are attached herewith and marked as Annexure III.

17. Statutory Auditors & Audit Report:

The specific notes forming part of the Accounts referred to in the Auditor's Report read with the notes to financial statements as referred to therein, are self-explanatory and give complete information and addresses the observations if any. The Audit report does not have any qualification or reservations or adverse comments.

18. Secretarial Auditor and Secretarial Audit Report:

The Board of Directors of the Company has, in compliance with the provisions of Section 304(1) of the Companies Act, 2013 and Rules made in this behalf, appointed Shri Umesh Ved, Company Secretary in practice to carry out Secretarial Audit of the Company for the financial year 2017-18. The Report of the Secretarial Auditor is annexed to this Report as Annexure IV. The Audit report does not have any qualification or reservations. As observed in that report please note that the Company has filed certain forms under the provisions of the Companies Act, 2013 with additional fees. The further observations made in audit report with respect to the compounding and adjudication, are suitably clarified/dealt with in para VII of MGT 7 provided in annexure III to the Directors Report.

19. Cost Audit:

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read relevant Rules made thereunder the audit of the cost records of the Company for the year 2017-18 relating to the "Textiles" products manufactured and traded by the Company is being carried out by Cost Auditors Shri. B. C. Desai, Cost Accountants. The Cost Audit Report will be filed on or before due date with the Ministry of Corporate Affairs in due course of time after the same is approved by the Board of Directors of the Company within the permissible timeline.

The Board has, at their Meeting held on 3rd May, 2018 re- appointed Shri B. C. Desai as Cost Auditor to audit cost records in respect of "Textiles" products manufactured and traded by the Company for the Financial Year 2018-19 and the remuneration payable to the Cost Auditor has been proposed for the approval/ ratification by the Members of the Company at the ensuing Annual General Meeting.

20. Internal Auditor:

M/s. Aneja Associates, a reputed firm of Chartered Accountants, are Internal Auditors of the Company. The Audit Committee of the Board of Directors in consultation with the Internal Auditors, formulate the scope, functioning, periodicity and methodology for conducting the internal audit.

21. Appreciation:

The Directors wish to place on record their appreciation of the devoted services of the workers, staff and the officers for their continued contribution to your Company.

For and on behalf of the Board,

Place: Mumbai
Date: 3rd May, 2018

H. A. MAFATLAL
Chairman
(DIN: 00009872)

Regd. Office:

Mafatlal Industries Limited (CIN L17110GJ1913PLC000035) 301-302, Heritage Horizon, 3rd Floor, Off: C G Road, Navrangpura, Ahmedabad 380009.Tel: 079 – 26444404-06 Fax: 079 26444403, Email: ahmedabad@mafatlals.com Website: www.mafatlals.com

Annexure I to Directors' Report

Management discussion and Analysis

Overview of the Economy

During the year under review, as noted by the World Bank, global economic growth sentiments improved with the much stronger-than-expected 2017, as the recovery in investment, manufacturing, and trade continues, and as commodity-exporting developing economies benefit from firming commodity prices. However, the year 2017 was largely seen as short-term upswing. Growth in advance economies is expected to moderate further as central banks will gradually remove their post-crisis accommodation which may led to lower growth. Growth in emerging market and developing economies is projected to strengthen as activity in commodity exporters continues to recover.

In 2017-18, Indian economy had to bear the twin shock of the after effects of demonetization and the mid-year rollout of the new indirect tax system, Goods & Services Tax (GST). GST as it turned out to be the economy's biggest disruptor in recent years, with criticism pouring over shoddy and hasty implementation, hurting especially the small businesses. The teething troubles that ensued included higher tax rates for some items, a complicated return filing system, errors in invoice matching, and major technical snags on the reform's information technology backbone GST Network (GSTN), among others.

As per Economic Survey by Ministry of Finance, the year FY18 is expected to end with GDP growth around 6.5% compared to 7.1% during FY17 as Agriculture and Industry sector is still showcasing signs of slower recovery. Index of Industrial Production is also expected to moderate from 4.6% in FY17 to 3.2% in FY18. Due to subdued consumer demand, CPI also continued to moderate from 4.8% in FY16-17 (Apr-Dec) to 3.3% in the corresponding period of 2017-18. There was surge in overall WPI inflation largely on account of rise in crude prices since February 2017.

Overview of Textile Sector

Growth in sector largely depends on consumer spending and multiple factors are affecting consumer spending like actual and perceived economic condition, disposable income, employment and consumer credit availability. Though the demonetization and GST implementation were to boost the economy, the short term negative impact on consumer demand has adversely impacted the Textile sector as a significant portion of the textile industry was getting operated as unorganized sector.

Index of Industrial Production (IIP) for textile has declined by 0.2% and apparel has declined by 9.9% in April to February during the year 2017-18 as compared to corresponding period last year. Wholesale Price Index (WPI) for textile build up inflation rate in the financial year so far is 1.06% compared to a build-up rate of 3.86% in the corresponding period of the previous year. Wearing apparel inflation also moderated showing the sign of subdued demand.

Readymade garments remain the largest contributor to total textile and apparel exports from India, contributing 47.69% to total textile and apparel exports. Yarn and made-ups were the other major contributors with shares of 14.36% and 12.89%, respectively.

The Ministry of Textiles is encouraging investments through increasing focus on schemes such as Technology Up-gradation Fund Scheme (TUFS). Under the Union Budget 2018-19, ₹ 2,300 (US$ 355.27 million) crore have been allocated for TUFS and ₹ 30 crore (US$ 4.63 million) for the Scheme for Integrated Textile Parks, under which there are 47 ongoing projects. The Cabinet Committee on Economic Affairs (CCEA), Government of India has approved a new skill development scheme named 'Scheme for Capacity Building in Textile Sector (SCBTS)'.

Overall Company Performance Review and Outlook

Business environment for Textile Industry where your company operates remained highly volatile in recent past and its adverse impact decayed performance of the company. The turbulent period your company witnessed was a combination of macro affairs like legged effect of Demonetisation, huge disruption in Textile Industry post introduction of Goods & Service Tax Act (GST) and lower consumer demand in overcapacity scenario.

Traditionally textile Industry has more or less remained outside the purview of indirect taxation. Implementation of GST led to a significant disruption in the highly unorganized sector which prevailed much longer than expected. This first led to freeze on stock movement starting from mid of June till November at wholesale network level and later squeeze of cash from the system. Majority of textile manufacturers were forced to produce and stock to cover the cost of capital which eventually resulted into distress sale environment. In textile industry the significant adverse impact was on Denim Segment as there is more than 30% unutilized capacity.

The macro factors coupled with overcapacity created acute pressure on volumes and margins. Raw material prices also remained at elevated levels vis a vis last year which further pressurized margins. The overall Revenue from operations and EBIDTA has declined by 7% and 60% respectively during the year under review.

Despite turbulent times your company is committed towards turning the operations profitable through operational efficiency, asset upgradation & modernization, better sweating of assets and rationalization of manpower.

Performance Review

FY18 being a challenging year for the company with decline in Total Revenue by 7% to ₹ 120,050 Lakhs and in Earnings Before Interest & Depreciation (EBIDTA) by 60% to ₹ 2524 lakhs.

(₹ Lakhs)

Particulars	For the year ended on			
	March 31, 2018		March 31, 2017	
	Amount	% of Revenue	Amount	% of Revenue
Revenue from Operations	116,760	97%	123,885	96%
Other Income	3,290	3%	4,793	4%
Total Revenue	**120,050**	**100%**	**128,678**	**100%**
Cost of Material Consumed	39,172	33%	37,753	29%
Purchase of Stock-in-trade	38,290	32%	47,894	37%
Changes in Inventory of Finished Goods, Work-in-progress & Stock-in-trade	1,082	1%	-2,662	-2%
Employee Benefit Expenses	13,458	11%	12,756	10%
Other Expenses	25,523	21%	26,626	21%
Total Expenses	**117,525**	**98%**	**123,301**	**95%**
EBIDTA	2,524	2%	6,313	5%
Finance Cost	3,109	3%	2,658	2%
Depreciation & Amortization	3,611	3%	3,238	2%
Profit Before Exceptional Items & Tax	-4,195	-3%	417	0%
Exceptional Items	0	0%	-467	0%
Profit Before Tax	-4,195	-3%	-51	0%
Net Tax Expenses	17	0%	463	0%
Profit for the year	-4,178	-3%	412	0%

Revenue from Operations and Other Income:

Total Revenue of the Company declined by 7% over previous financial year. Other Income (consisting Interest Income, Dividend Income from Long Term Investments, Net Gain on Foreign Currency Transactions and Other Non-Operating income) has also declined by 31% compared to previous year.

Materials Consumed and Purchase of Traded goods

The cost of Material Consumed, which includes Cotton & Fiber, Yarn, Un-processed Fabric and other direct materials, constitutes 33% of Revenue from Operations for FY 17-18 as against 29% in FY 16-17. This is mainly due to higher increase in sales of Manufactured Goods compared to Purchase of Traded Goods. Purchase of Traded Goods showed a decline of 14% as percentage of Revenue on account of overall reduction in top line.

Employee Benefit Expenses

The Employee Benefit Expenses for the year is higher by 6% in absolute value; however, as a percentage to Total Revenue, it has marginally gone up to 11% as against 10% for FY 16-17.

Other Expenses

Other Expenses which include various manufacturing, marketing and administrative overheads at ₹ 25,523 lakhs has reduced from ₹ 27,561 lakhs that for FY 16-17 in absolute terms. As a percentage to Total Revenue, remained almost unchanged.

Debt

Your Company mobilized ₹ 667 Lakhs in long-term debt primarily in the form of rupee-term loans. Net short-term borrowings increased by ₹ 1,200 Lakhs. Your Company repaid a long-term loan of around ₹ 3,631 Lakhs in line with the repayment schedule. Borrowings were maintained to provide working capital support to the company in core operations.

Finance Costs

The finance cost for FY 17-18 is ₹ 3109 Lakhs as against ₹ 2658 Lakhs for the FY 16-17. The increase in finance cost is primarily on account of long term borrowing raised and higher working capital utilization during the year to finance capacity expansion and higher working capital requirements. Finance Cost as a percentage to Total Revenue however remained almost unchanged.

Depreciation

Depreciation in absolute terms has increased to ₹ 3611 Lakhs as compared to ₹ 3238 Lakhs in FY 16-17 as during FY16-17 the Company completed & commissioned capacity expansion project which has led to increase in the Fixed Assets of the Company. As a percentage to Total Revenue it has increased to 3% as compared to 2% for FY 16-17.

Human Resources & Safety

Your company believes that its human capital is key to bring in progress. Your Company emphasized towards talent nurturing, skill building and providing avenues for learning and development through functional and, behavioral training programs. Your company is committed towards building a safe work place with underlining safe work practice.

Adoption of Indian Accounting Standards (Ind AS)

Your company adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2017. For the year 2016-17 and 2017-18, the Company has completed assessment of impact of change to Ind AS for relevant periods. The Company has modified the accounting and reporting systems to facilitate the changes.

Product Wise Review and Outlook

Textiles:

Your company manufactures cotton & polyester-cotton woven fabrics in dyed, bleached & printed form. Your company primarily operates in Top Wear Segment with lighter weight Printed, White, Dyed and Yarn Dyed fabric. Prints and Dyed fabric are mainly for Ladies wear, Men's Shirting and Children Garments. White fabrics are for Kurta-Paijamas and similar use in different parts of the country and also for School Uniforms. Yarn Dyed are mainly for Men's Shirting.

FY17-18 was lacklustre year for Textiles. Before the impact of Demonetisation faded, the challenge of GST implementation came and affected the sentiments in the domestic market. White fabric in OGP segment which is almost 33% of our total output is sold through Dealers and through a countrywide retail network. The sentiments of Dealers were affected due to their inability to adjust to GST regime and confusions prevailing around treatment of old stocks. Overall sales at retailers also went down and affected the volumes. Sales to Brands also got severely affected as garment exporters did not get GST credits in time and their working capital requirements went up. Middle East market for our printed Voile was bad due to war in Yemen and continued political disturbances and economic issues in Saudi Arab, Sudan, Dubai, Mauritania and Yemen. The impact was felt on overall sales and also on receivables. It is heartening to note that, despite such a challenging environment, Textiles registered 7% volume growth and 10% value growth with consequent improvement in the operating margins for year under review. This was the result of conscious cost saving efforts and product quality improvement.

As you are aware, the Company operates in both the business to business (B2B) and the business to consumer (B2C)/ retail segment. In B2B segment, company caters to both the international & domestic brands. While sales volume in B2C segment remained muted, in B2B segment, company registered a growth of around 18% in sales to Domestic and international Brands in domestic market and around 40% growth in sales to International Brands in export market.

Your company has a strong footprint in School Uniform fabric business, Ladies Wear and Home Furnishing business. Although during the year under review, the growth was halted in all these segments on account of sluggish demand and shaken dealer network post implementation of GST. In B2C segment, with the launched Glamour and relaunched Trendz brands, the company is slowly increasing its presence in apparel space.

The main competition for the company in White fabric is from unorganised sector. With GST implementation the unorganised sector is facing unsurmountable challenges. This is surely an opportunity for organised players like your company. Printed fabric also present good opportunities for your company as we are emerging as leading supplier to domestic & international brands. Liquidity Crisis and subdued demand of fabric in domestic market are the areas of concern. Under this scenario, your company remains cautiously optimistic for Textiles.

Denim:

The year 2017-18 was highly turbulent across the Denim industry. The de-growth momentum which started post demonetization continued for whole of FY 17-18 and further elevated post GST. In the recent years Denim industry has witnessed large capacity additions. The installed capacity for Denim fabric which was around 600 million meters in year 2011 has shot to almost 1.7 billion meters by the end of year 2018. With the capacity addition still under pipeline, the installed capacity is likely to touch to almost 2 billion meters by year 2019. The most Indian Denim manufacturers, barring few, lacks in terms of product developments and meeting with expectation of international brands and hence they have not been able to establish in the export markets. This has led to all such players competing in already crowded domestic market. As mentioned earlier, on account of demonetization coupled with introduction of GST demand from domestic trade had slowed beyond the expectation of all Denim producers. Although, the demand was sluggish, all Denim producers continued to operate at full capacity in the hope of revival of demand which never happened. Faced with downward spiraling demand scenario, Denim players jumped into price war for liquidating huge inventory bringing down average selling price per meter (ASP).

Under the above scenario, for your company not only sales volume of Denim fabric fell by 3% during the year under review but ASP also reduced during the period leading to huge erosion in the operating margins. The operating margins were further impacted negatively by lower export incentives post GST, stronger local currency, higher expenses incurred in developing value-added & differentiated products and higher raw material prices, especially that of yarn.

However, as a result of aggressive thrust on new product development and improving the product-mix, the exports of Denim fabric has registered impressive growth of 41% in volumes.

Since the Indian Denim market is not going to come out of overhang of excess capacities soon, your company is focusing on exports and on Brands nomination business. Both these segments are more predictable and less volatile in terms of selling prices. For exports and Brands nomination, the critical success factor is ability to continuously produce differentiated products which requires investment in product development initiatives. Your company has fast forwarded new product development initiative and would have developed over 100 new products/designs during the last year for presenting to various Brands and in export markets. With such initiatives, your company is hopeful to turn around the situation in coming year.

Outlook:

Your Company expects business environment to improve going forward once the unorganized sector gets accustomed to the new tax regime. Also, the Company expects increased formalization and consolidation in the textile sector leading to an increase in market share of the organized players in times to come. Your company is focused to create strong presence in the market with new product development, brand focused orientation and quality. In the recent past company has undertaken several initiatives for restructuring of business processes, improving plant efficiency and cost saving which should bear fruits in the near future.

Annexure II to Directors' Report

CORPORATE GOVERNANCE REPORT

This Corporate Governance Report for the year ended 31st March, 2018, forms part of the Directors' Report and the same has been prepared on the basis of the provisions of Clause C of the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(1) A brief statement on listed entity's philosophy on Code of Governance:

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

The Company's philosophy on Code of 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.

(2) Board of Directors:

The Board of Directors consisted of 09 (Nine) Directors as at the end of the year as at 31st March, 2018. The Board comprised of two Executive Promoter Directors, one Executive Professional Director, one Non-Executive Non-Independent Director and five Non-Executive Independent Directors including one Woman Independent Director. The Board of Directors is headed by Shri Hrishikesh A. Mafatlal who is the Chairman (Executive Chairman) of the Company. The composition of the Board is in conformity with the requirements of the applicable provisions of the Companies Act ,2013 read with the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on 31st March, 2018. The further details are as follows:

Sr. No.	Names of Directors	Category	No. of Board Meetings held	No. of Board Meetings attended	Whether last AGM held on 2nd August, 2017 Attended by Directors	Other directorship held (including private companies) at the year end	$No. of Committee Membership / Chairmanship in other companies at the year end	
							As Chairman	As Member
1.	Shri Hrishikesh A. Mafatlal Executive Chairman	Promoter-Executive	10	10	Yes	06 (03 Pvt. Ltd. Cos.)	Nil	01
2.	Shri Atul K. Srivastava	Non-Executive Non-Independent	10	10	Yes	01	Nil	01
3.	Shri Vilas R. Gupte	Non-Executive Independent	10	10	Yes	01	Nil	01
4.	Shri Pradip N. Kapadia	Non-Executive Independent	10	10	Yes	10 (06 Pvt. Ltd.Cos.)	02	04
5.	Smt. Latika P. Pradhan	Non-Executive Independent	10	10	Yes	01	01	Nil
6.	Shri Gautam G. Chakravarti	Non-Executive Independent	10	09	Yes	01	Nil	Nil
7.	Shri Sujal A. Shah	Non-Executive Independent	10	10	Yes	12 (05 Pvt. Ltd.Cos.)	01	04
8.	Shri Aniruddha P. Deshmukh Managing Director	Executive Non- Independent	10	10	Yes	Nil	Nil	Nil
9.	Shri Priyavrata. H. Mafatlal	Promoter Executive	10	08	Yes	02 (01 Pvt. Ltd. Co.)	Nil	Nil

$ Under this column, memberships/Chairmanships of Audit Committee and Stakeholders Relationship Committee in all Public Limited Companies (excluding Mafatlal Industries Limited), are only considered.

Number of Meetings of the Board of Directors held and dates on which held:

During the year under review viz., 1st April, 2017 to 31st March, 2018, total 10 (Ten) Meetings of the Board of Directors of the Company were held on the following dates viz., 05th May, 2017, 23rd June 2017, 01st August, 2017, 10th August, 2017, 12th September, 2017, 10th November, 2017, 14th December, 2017, 08th January, 2018, 09th February 2018 and 29th March, 2018. All Directors remained present for all the said meetings except Shri Gautam G Chakravarti for the Meeting held on 23rd June, 2017, and Shri Priyavrata H. Mafatlal for meetings held on 23rd June, 2017 and 12th September, 2017 for which requisite leave of absence were granted as requested.

The Company has thus, observed the provisions of Regulation 17(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, allowing not more than 120 days gap between two such Meetings

Independent Directors' Meeting:

Pursuant to provisions Schedule IV to the Companies Act, 2013, during the year under review, one meeting of Independent Directors was held on 28th March, 2018. Shri Vilas R Gupte was unanimously elected as Chairman of the said Meeting. All the Independent Directors remained present at the meeting wherein the Independent Directors reviewed the performance of the Non-Independent Directors (including Chairperson) and the Board as a whole and assessed the quality, quantity and timeliness of the flow of information between the company, management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Disclosure of relationships between directors inter-se:

Shri H. A. Mafatlal, Executive Chairman is relative (father) of Shri P. H. Mafatlal, Executive Director of the Company. None of the other Directors are related to any other director of the Company.

Details of shareholding of Non-Executive Directors:

Names of the Director	Number of Equity Shares of ₹10/- each held as at 31st March, 2018
Shri A. K. Srivastava	Nil
Shri V. R. Gupte	02
Shri P. N. Kapadia	138
Smt. Latika P. Pradhan	Nil
Shri Gautam G. Chakravarti	Nil
Shri Sujal A. Shah	Nil

The Company does not have any other security issued.

The Details of the familiarization programme imparted to Independent Directors is disclosed at the Company's website at https://www.mafatlals.com/wp-content/uploads/2017/08/familiarisation_programme_for_independent_directors.pdf

(3) Audit Committee:

The Terms of Reference of the Audit Committee is as mentioned in the provisions of Section 177 of the Companies Act, 2013 read with Part C of Schedule II and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition of the Committee is also in conformity with the said provisions.

The Audit Committee of the Board of Directors of the Company consists of four Directors viz. Shri Vilas. R. Gupte, Smt. Latika P Pradhan, Shri Sujal A. Shah and Shri Gautam G Chakravarti. All members of the Audit Committee are Non-Executive Independent Directors. Shri Vilas R Gupte, a Chartered Accountant, is the Chairman of the Audit Committee. Shri Ashish A. Karanji, Company Secretary of the Company acts as Secretary to the Committee.

During the year under review, five meetings of the Audit Committee of the Board of Directors of the Company were held and the attendance of the members are as follows:

Sr. No.	Dates on which the Meetings of the Audit Committee were held during the year 2017-18	Shri V.R. Gupte	Smt. Latika P. Pradhan	Shri Sujal A. Shah	Shri Gautam Chakravarti
1.	5th May,2017	Yes	Yes	Yes	Yes
2.	10th August,2017	Yes	Yes	Yes	Yes
3.	10th November,2017	Yes	Yes	Yes	Yes
4.	14th December,2017	Yes	Yes	Yes	Yes
5.	9th February,2018	Yes	Yes	Yes	Yes

Yes – Attended, No – not attended

N.A. - Not Applicable

(4) Nomination and Remuneration Committee:

The terms of reference of the Nomination and Remuneration Committee is as mentioned in the provisions of Section 178 of the Companies Act, 2013 read with Part D (A) of Schedule II and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition of the Committee is also in conformity with the said provisions.

The Nomination and Remuneration Committee of the Board of Directors of the Company consisted of three Directors viz. Shri Vilas R. Gupte, Shri Pradip N. Kapadia and Shri Gautam G. Chakravarti. All of them are Non-Executive Independent Directors of the Company. Shri Pradip N. Kapadia is the Chairman of the Committee. Shri Ashish A. Karanji, Company Secretary of the Company acts as Secretary to the Committee. During the year under review, three meetings of the Committee were held which were attended by the members as follows:

Sr. No.	Dates on which the Meeting of the Nomination and Remuneration Committee were held.	Shri V. R. Gupte	Shri P.N. Kapadia	Shri G. G. Chakravarti
1.	3rd May, 2017	Yes	Yes	Yes
2	10th November, 2017	Yes	Yes	Yes
3.	28th March 2018	Yes	Yes	Yes

Yes: Attended, No: Not Attended, N.A.: Not Applicable

Performance evaluation criteria for Independent Directors:

The Nomination & Remuneration Committee of the Board has reviewed & revised the criteria of evaluation for directors and the Board of Directors has approved the same along with the amendments in Nomination& Remuneration Policy. The criteria for evaluation are as follows:

GENERAL:

i. Well educated, experienced having knowledge and competency

ii. Participation in the vision and strategy of the Company and understanding and fulfilment of the functions assigned to him/her by the Law or Board/Committees.

iii. Integrity, initiative, Commitment and Discipline towards his roll and responsibilities including conforming to the applicable laws, regulations, rules and guidelines issued thereunder.

iv. Exercising Independent views, prudence & Judgement, without conflict of any interest.

v. Maintenance of satisfactory attendance at the meetings of the Board and its Committees.

vi. Diligence in preparation and remaining well-informed, taking initiative with respect to various areas.

vii. Participation in reviews of the internal financial controls and performance and seeking clarification and amplifications as required.

viii. Participation in decision-making Process & making constructive suggestions, maintaining impartiality, ability to function as a Team.

ix. Participation in Risk Management and material issues of the Organisation and making constructive advice/ suggestion.

x. Communication –meaningful and in constructive manner and giving fair chance to others for expressing their views.

xi. Contribution in implementing and sustaining good governance practices and review of compliances.

xii. Giving due weightage to the interest of all the stakeholders including shareholders.

Additional areas for Independent Directors:

Ensuring the independence (from the entity and other directors and there is no conflict of interest), exercising independent views and judgement and performing the duties of independent director as prescribed under applicable statutory provisions as also the specific duties/role assigned to them by Board/Committees.

(5) Remuneration of Directors:

There are no pecuniary relationship or transactions entered into by the Company with any of the Directors of the Company except as disclosed herein below as regards the remuneration including the sitting fees paid to them.

The Company has, during the year 2017-18, paid sitting fees to each Non-Executive Directors for attending the meetings of the Board of Directors and the Committees thereof @ ₹ 70,000/- per meeting and a diem allowance of ₹1000/- to the concerned directors.

The Shareholders of the Company at 99th Annual General Meeting held on 31st July, 2013 has authorised the payment of commission to Non-Executive Directors not exceeding 1% of the Net Profits of the Company determined in the prescribed manner under the provisions of the Companies Act, 2013 for a period of five years until 31st March,2017. On a yearly basis, the Board decides the payment to non executive Directors. No Commission has been paid to Non-executive Director of the year 2017-18. Shri H. A. Mafatlal, Executive Chairman of the Company had voluntarily opted for waiver of the remuneration for the year 2017-18.

Details of Remuneration paid to all Directors:

(₹ in Lakhs)

Sr. No.	Names of Directors	Salary, Allowances & Perquisites	Commission	Sitting Fees	Total
1.	Shri H. A. Mafatlal	Nil	Nil	Nil	Nil
2.	Shri A. K. Srivastava	Nil	Nil	7.35	7.35
3.	Shri V. R. Gupte	Nil	Nil	12.25	12.25
4.	Shri P. N. Kapadia	Nil	Nil	9.80	9.80
5.	Smt. Latika Pradhan	Nil	Nil	10.50	10.50
6.	Shri Gautam Chakravarti	Nil	Nil	11.55	11.55
7.	Shri Sujal A. Shah	Nil	Nil	10.50	10.50
8.	Shri Aniruddha P. Deshmukh *	251.14	Nil	Nil	251.14
9.	Shri P. H. Mafatlal*	61.76	Nil	Nil	61.76

* Detailed break up for remuneration to executive directors are provided in the Annexures III to Directors Report.

No Bonus or stock options given/provided to any directors for the financial year 2017-18 except to Shri Aniruddha P Deshmukh who was granted 18,000 options (ESOPS) by Nomination & Remuneration Committee of the Board at their meeting held on 10th November, 2017 under Mafatlal Employee Stock Option Plan 2017. None of the options are vested/exercised as on 31st March, 2018.

The Executive Directors (individually), as a part of the agreed terms of their appointment, are entitled to commission not exceeding 1% of the net profit of the company as may be determined by the Board considering the Remuneration Policy of the Company from time to time. However, due to inadequacy of profits for the year 2017-18, no performance linked bonus/commission was paid to any directors.

Other service contracts, notice period, severance fees relating to Directors:

Letters of appointment containing terms and conditions including remuneration, were issued to all the Executive Directors. Besides, the Appointment Letters were also issued to all Independent Directors of the Company, a copy of the standard terms and conditions thereof is posted on the website of the Company under “Financial” Section.

(6) Stakeholders’ Relationship Committee:

The Stakeholders Relationship Committee of the Board of Directors of the Company consists of Shri A. K. Srivastava, Shri P. N. Kapadia and Shri H. A. Mafatlal. Shri A. K. Srivastava, a Non-Executive Director, is the Chairman of the said Committee. Shri Ashish A. Karanji, Company Secretary of the Company is a Compliance Officer of the Company and acts as Secretary to the Committee.

During the year 2017-18 one meeting of the Stakeholders Relationship Committee was held and the attendance of the Members was as under:

Sr. No.	Date of the Stakeholders Relationship Committee Meeting	Shri A. K. Srivastava	Shri P. N. Kapadia	Shri H. A. Mafatlal
1.	28th March, 2018	Yes	Yes	Yes

The Committee has inter-alia reviewed the grievances of the shareholders received, redressed and pending quarter to quarter and other share related statistics and details including transfer, transmission, demate, remate, grievance redressal process and status etc. by the Registrar & Share Transfer Agent (RTA) viz. Karvy Computershare Pvt. Ltd.

The Board of Directors of the Company reviews the stakeholders’/investors’ grievances, if any at the end of every quarter. The terms of reference of the Committee is as mentioned in the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 and Part D (B) of the SEBI (LODR) Regulations, 2015.

The details of complaints received from Stakeholders from 1st April, 2017 to 31st March, 2018, are as follows:

Number of shareholders complaints received so far : 09

Complaint not resolved to the satisfaction of shareholders: Nil

Number of pending complaints (as at 31.03.2018) : 01

7. **General Body Meetings:**

(a) Details of last three Annual General Meetings and details of special resolution passed:

Sr. No.	Location	Time	Annual General Meeting and date	Whether any special resolutions passed at AGM and (No. of such resolution passed)
1.	J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad-380 015	10.00 A.M.	103rd Annual General Meeting held on 2nd August, 2017	Yes (6)
2	J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad-380 015	10.00 A.M.	102nd Annual General Meeting held on 11th August, 2016	Yes (5)
3.	J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad-380 015	10.00 A.M.	101st Annual General Meeting held on 12th August, 2015	Yes (2)

There has been no resolutions proposed/passed through postal ballot last year.

(b) Whether any Special Resolution is proposed to be conducted through Postal Ballot: No

(c) Procedure for postal ballot: N.A.

8. **Means of communication:**

i. **Quarterly Results:**

The Results are submitted to BSE Limited (Bombay Stock Exchange) at which the equity shares of the Company are listed and traded, by way of email, online filing in Listing Center of BSE Ltd. and a paper copy filing with the stock exchange. Additionally the Results are also displayed on the Company's website www.mafatlals.com.

ii. **Newspapers wherein results normally published:**

Earlier the publication has been in The Economic Times, in English & The Economic Times in Gujarati in both Ahmedabad and Mumbai. However from now on all future publication of results and statutory notices to the shareholders/members will be published in :

Financial Express – English – All India Edition and Financial Express in Gujarati in Ahmedabad.

iii. **Any website, where displayed:**

The Financial Results are displayed by the Company on its website www.mafatlals.com.

iv. **Whether it also displays official news releases:** Yes.

v. **Presentations made to institutional investors or to the analysts:** None.

9. **General shareholder information:**

a. **Annual General Meeting – date, time and venue:**

104th Annual General Meeting of the Company will be held on Tuesday, 31st July, 2018 at 10.00 A.M. at J.B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad-380 015.

(b) **Financial Year:**

April 1st to March 31st every year.

(c) **Dividend payment date: N.A.**

The Board of Directors has regretted their inability to recommend/declare any dividend for the year 2017-18 in view of the losses incurred by the Company.

(d) **The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s):**

The Equity Shares of the Company are listed on BSE Limited and Ahmedabad Stock Exchange. However, Ahmedabad Stock Exchange (ASE) is non-operational for the last many years since opted for Exit under SEBI Guidelines. The trading platform of the ASE is also non-operational. ASE has advised not to file any information's/forms or compliance of listing provisions. Accordingly, the Company has paid Listing Fees for the year 2018-19 for BSE Ltd.

(e) **Stock Code:**

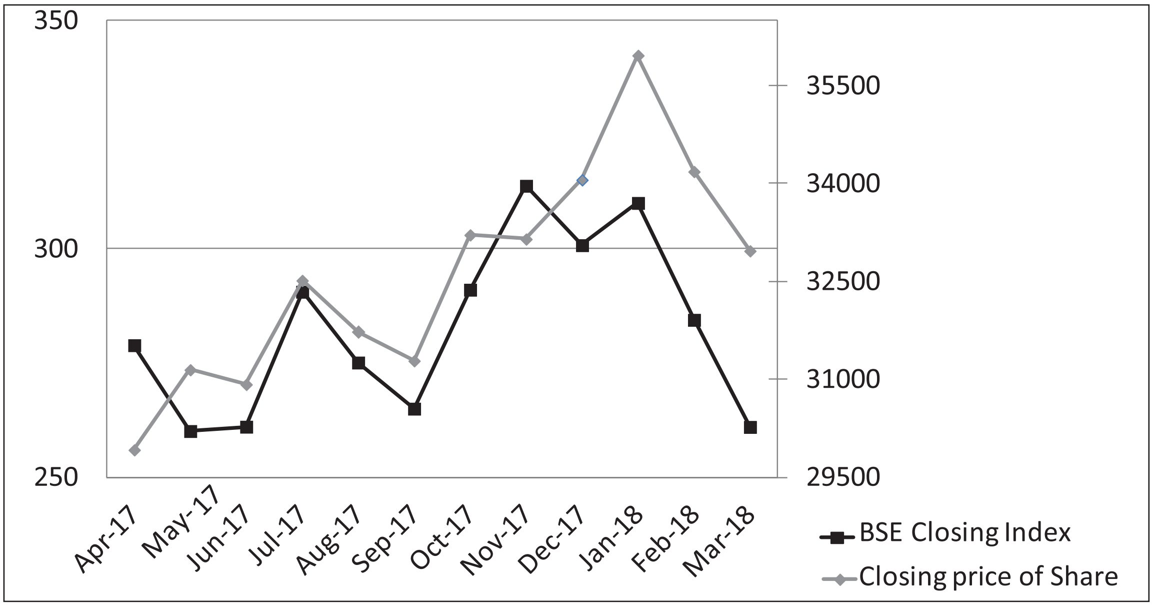
i) BSE Limited: Security Code: 500264

ii) Ahmedabad Stock Exchange Ltd.: Security Code: 34100

(f) **Market price data high, low during each month in last Financial Year**

Month	High	Low	Sensex		No. of Trades
			High	Low	
Apr-17	291.80	253.10	30,184.22	29,241.48	1460
May-17	305.00	251.10	31,255.28	29,804.12	1228
Jun-17	292.00	256.05	31,522.87	30,680.66	1095
Jul-17	321.00	261.00	32,672.66	31,017.11	4692
Aug-17	302.90	237.00	32,686.48	31,128.02	805
Sep-17	294.00	260.00	32,524.11	31,081.83	725
Oct-17	300.00	260.05	33,340.17	31,440.48	908
Nov-17	372.00	285.00	33,865.95	32,683.59	4670
Dec-17	331.80	295.50	34,137.97	32,565.16	977
Jan-18	374.40	298.15	36,443.98	33,703.37	1656
Feb-18	317.95	271.00	36,256.83	33,482.81	664
Mar-18	290.00	252.50	34,278.63	32,483.84	615

(g) **Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc.: BSE – Closing Index Vs. Closing Price of Share April, 2017 to March, 2018.**



(h) **In case the securities are suspended from trading, the Directors' Report shall explain the reason thereof:**

Not applicable.

(i) **Registrar to an issue and share Transfer Agents:**

M/s. Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032, India
Tel: 040 6716 2222 Fax: 040 2342 0814
E-mail: einward.ris@karvy.com
website: www.karvycomputershare.com

(j) Share Transfer System:

The Registrar & Transfer Agents of the Company undertakes all the shares & dividend related work of the shareholders of the Company. The RTA verify & process the valid Transfer documents received from shareholders and prepares an approval statements, and gets it approved by any two of the Members (Directors) of the Share Transfer Committee viz. Shri Aniruddha P. Deshmukh, Shri A. K. Srivastava and Shri H. A. Mafatlal. The share transfers are registered and returned within 15 days from the date of receipt if relevant documents are completed & verification is proper in all respects.

(k) Distribution of shareholding:

Distribution of shareholding as on 31st March, 2018 is as under:

MAFATLAL INDUSTRIES LTD Distribution of Shareholding as on 31/03/2018					
Sl no	**Category (Shares)**	**No. of Holders**	**% Holders**	**No. of Shares**	**% Equity**
1	1 - 50	101349	97.21	480811	3.45
2	51 - 500	2486	2.39	407123	2.93
3	501 - 1000	221	0.21	167247	1.20
4	1001 - 2000	74	0.07	107013	0.77
5	2001 - 3000	30	0.03	71764	0.52
6	3001 - 4000	11	0.01	37613	0.27
7	4001 - 5000	15	0.01	70905	0.51
8	5001 - 10000	17	0.02	116530	0.84
9	10001 - Above	51	0.05	12453880	89.51
	TOTAL	**104254**	**100.00**	**13912886**	**100.00**

(l) Shareholding Pattern:

Shareholding pattern as on 31st March 2018 is as under:

SHAREHOLDING PATTERN AS ON 31st MARCH, 2018			
Sr. No.	**Category**	**Number of Shares held**	**% of holding**
1	Promoter & Promoter Group	10414785	74.86
2	Mutual Funds	2014	0.01
3	Banks / Financial Institutions / Insurance Companies / State Government Institutions./UTI	358642	2.58
4	FIIS (Foreign Institutional Investors)	0	0.00
5	Bodies Corporate	119625	0.86
6	Indian Public	2963821	21.30
7	NRIs/ OCBs	53990	0.39
8	Any Other (please specify) Trust	9	0.00
	Total	**13912886**	**100.00**

(m) Dematerialization of shares and liquidity:

The Equity 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, 2018, 17773 shareholders holding 13451070 Equity Shares have dematerialized their shares which constitutes 96.68% of the total Paid-up Equity Share Capital of the Company.

The equity shares of the Company are traded at BSE Limited. However, there is no trading activity at The Ahmedabad Stock Exchange Limited.

(n) Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity: None.

(o) Commodity price risk or foreign exchange risk and hedging activities:

The Company follows a conservative and risk-averse approach towards managing its foreign currency exposure and Cotton Commodity risks. Hence, the Company endeavors to mitigate the risk associated with the exchange rate fluctuation and Cotton Commodity by entering into a hedging contracts with the Company's Bankers and permitted intermediaries in conformity with the applicable statutory provisions and guidelines and Company Policy.

(p) Plants / Factories location:

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

2) Navsari Unit : Vejalpore Road, Navsari 396 445

3) Mazgaon Unit (Non-operational) : Rambhau BhogaleMarg,Mazgaon, Mumbai 400 010.

(q) Address for correspondence:

Karvy Computershare Pvt. Ltd. Unit: Mafatlal Industries Limited

Hyderabad Address:	**Mumbai Address:**	**Ahmedabad Address:**
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032, India Tel:040 6716 2222 Fax: 040 2342 0814, E-mail: einward.ris@karvy.com website: www.karvycomputershare.com	24B, Rajabahadur Mansion, Ground floor, Ambalal Doshi Marg, Fort, Mumbai 400 023. Tel. 022-66235454 Fax 022-66331135	201, Shail Complex, Opp. Madhusudan House, Off: C G Road, Nr. Navrangpura Telephone Exchange, Ahmedabad 380006 Phone: 079-26400527,65150009 Email: ahmedabad@karvy.com

The dedicated email id for the shareholders of the Company to make correspondence with Karvy is mafatlal.ris@karvy.com

For the convenience of the shareholders of the Company, the documents will continue to be accepted by the Company at its Registered Office and also its Corporate Office.

Mafatlal Industries Limited

Corporate Identity Number: L17110GJ1913PLC000035

Registered Office:	**Corporate Office:**
301-302 Heritage Horizon, 3rd Floor, Off: C. G. Road, Navrangpura, Ahmedabad - 380 009.	Kaledonia Office No.3, 6th floor, 'B' Wing, Opp. Vijay Nagar Society, Sahar Road, Andheri (E), Mumbai - 400069
Tel: 079 26444404-06, Fax : 079 26444403	Tel: 91 22 6771 3800,
Email: ahmedabad@mafatlals.com Website: www.mafatlals.com	Fax: 91 22 6771 3924

(10) Other Disclosures:

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:

None. There has been no materially significant related party transaction entered into by the Company.

(b) Details of non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority on any matter related to capital markets during the last three years:

The Company had received Notice dated 5th March, 2014, from SEBI for non-compliance of Regulations 8(1) and 8(2) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, for non-filing of disclosure with Stock Exchanges in respect of the Shares held by the Company of Mafatlal Finance Co. Ltd., as Promoter of the said company. The Company filed its written submissions and also appeared at the personal hearing through Advocates. However, the Adjudicating Officer vide Order dated 24thMarch, 2014, levied a Penalty of ₹10 lakhs. The Company preferred an Appeal before the SEBI Appellate Tribunal (SAT) against the said Order. At the hearing held on 13thJune, 2014, SAT dismissed the Appeal filed by the Company. Consequently, the Company had towards the compliance of the SEBI Order, made the payment of ₹10 lakhs to SEBI and settled the matter.

Further, the Board of Directors appointed Smt. Latika P. Pradhan, as an Additional Director (as Independent Director on 17th April, 2015). Since there was a delay in appointment of a woman director on the board within the statutory time limit i.e. 31st March, 2015, Bombay Stock Exchange imposed penalty of RS. 50,000/- ,which was paid by the Company and the matter was settled.

(c) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee;

In conformity with the requirements of Section 178 of the Companies Act, 2013, the Company has devised vigil mechanism and has formal whistle blower policy under which the Company takes cognizance of complaints made by the employees and others. No employee of the Company/ no other person have been denied access to the Audit Committee of the Board of Directors of the Company. During the year under review, no complaints have been received from any whistle blower. The Whistle Blower Policy of the Company has been posted on the website of the company and is available at https://www.mafatlals.com/wp-content/uploads/2017/08/whistle_blower_policy.pdf

(d) Disclosure under The Sexual Harassment of women at work place (Prevention, Prohibition & Redressal) Act, 2013:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the said Act. Internal Complaints Committees have been setup to redress Complaints, if any. During the year under review, no Complaint has been received in respect of Sexual Harassment from any of the employees of the Company.

(e) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also complied with the non-mandatory requirement of separate post of Chairman and CEO. Shri H. A. Mafatlal is an Executive Chairman while Shri Aniruddha P. Deshmukh is a Managing Director & CEO of the Company. Further, the Company has also complied with the non-mandatory requirement of direct reporting of the Internal Auditors to the Audit Committee in respect of their findings/observation on Internal Audit carried on by them on quarterly basis as per the Internal Audit plans approved by the Audit Committee. Further the statutory auditors report on the financial statements of the company does not contain any qualification.

(f) Web link where policy for determining 'material' subsidiaries:https://www.mafatlals.com/wp-content/uploads/2017/08/policy_on_materiality_of_subsidiary.pdf

(g) Web link where Policy on dealing with Related Party Transactions: https://www.mafatlals.com/wp-content/uploads/2017/08/related_party_policy.pdf

(11) Disclosures with respect to Demat suspense account/ unclaimed suspense account : Not Applicable

(12) The disclosure of the compliance with corporate governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 shall be made in the Section on Corporate Governance of the Annual Report.

The Company has complied with all Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub- Regulation (2) of Regulation 46.

(13) The Company has laid down procedure to inform the Board Members about the risk assessment and risk mitigation mechanism, which is periodically reviewed and reported to the Board of Directors by senior executives.

(14) Disclosure of accounting treatment different from accounting standards : None

(15) Code of Conduct for Board Members and Senior Management:

The Board of Directors, has laid down the Code of Conduct for all the Board Members and members of the senior management. The Code is also placed on the Company's website–www.mafatlals.com. A certificate from the Managing Director, affirming compliance of the said Code by all the Board Members and members of the senior management to whom the Code is applicable, is annexed separately to this report. Further, the Directors and the Senior Management of the Company has submitted disclosure to the Board that they do not have any material financial and commercial transactions that may have potential conflict with the interest of the Company at large.

(16) CEO/ CFO Certification:

The Managing Director and Chief Financial Officer of the company give (a) annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of Listing Regulations (b) quarterly certification on financial result to the Board in terms of Listing Regulations.

Annexure III to Directors' Report – Other disclosures forming part of Directors Report

(A) Statutory Disclosures under the provisions of Section 134 of the Companies Act, 2013 (apart from disclosures already made in the Directors Report):

i) Extract of the Annual Return:

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies0 (Management and Administration) Rules, 2014]

I.	**REGISTRATION AND OTHER DETAILS:**	
i)	CIN :-	L17110GJ1913PLC000035
ii)	Registration Date:-	20 January, 1913
iii)	Name of the Company:-	Mafatlal Industries Limited
iv)	Category / Sub-Category of the Company :-	Public Company Limited by Shares
v)	Address of the Registered office and contact details	Heritage Horizon, 301-302, 3rd Floor, Off: C. G. Road, Navrangpura, Ahmedabad - 380 009. Tel: 91 -79-26444404-06 Fax: 91-79-26444403 E-mail: ahmedabad@mafatlals.com Website: www.mafatlals.com
vi)	Whether listed company :-	BSE Ltd. (Bombay Stock Exchange) and ASE (Ahmedabad Stock Exchange Limited which has opted for exit & trading platform is not operation for last 2-3 years)
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any :-	**Karvy Computershare Private Limited** Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032, India Tel: 040 6716 2222 Fax: 040 2342 0814 E-mail: einward.ris@karvy.com,website: www.karvycomputershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
	Company operates in single business - Textiles	1711	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section of Companies Act, 2013
1	Mafatlal Services Limited Mafatlal House, Backbay Reclamation, Mumbai 400020.	U51900MH1962PLC012314	Subsidiary	88%	2(87)

IV. SHARE HOLDING PATTERN (With Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding:

Cat-egory code	Category of shareholder	No. of shares held at the beginning of the year 01/04/2017				No. of shares held at the end of the year 31/03/2018				% Change during the year
		Demat	Physical	Total	% Of total shares	Demat	Physical	Total	% Of total shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	**PROMOTER AND PROMOTER GROUP**									
1	**INDIAN**									
(a)	Individual /HUF	4865969	0	4865969	34.97	4865969	0	4865969	34.97	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	5483927	0	5483927	39.42	5483927	0	5483927	39.42	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	64889	0	64889	0.47	64889	0	64889	0.47	0.00
	Sub-Total A(1) :	**10414785**	**0**	**10414785**	**74.86**	**10414785**	**0**	**10414785**	**74.86**	0.00
2	**FOREIGN**									
(a)	Individuals (NRIs/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	0.00
	Total A=A(1)+A(2)	**10414785**	**0**	**10414785**	**74.86**	**10414785**	**0**	**10414785**	**74.86**	0.00
(B)	**PUBLIC SHAREHOLDING**									
1	**INSTITUTIONS**									
(a)	Mutual Funds /UTI	3	9170	9173	0.07	3	8970	8973	0.06	0.00
(b)	Financial Institutions /Banks	208790	822	209612	1.51	208077	790	208867	1.50	-0.01
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	142815	1	142816	1.03	142815	1	142816	1.03	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	**351608**	**9993**	**361601**	**2.60**	**3,50,895**	**9,761**	**3,60,656**	**2.59**	**-0.01**
2	**NON-INSTITUTIONS**									

Cat-egory code	Category of shareholder	No. of shares held at the beginning of the year 01/04/2017				No. of shares held at the end of the year 31/03/2018				% Change during the year
		Demat	Physical	Total	% Of total shares	Demat	Physical	Total	% Of total shares	
	Bodies Corporate									
(a)	1) Indian	301462	2049	303511	2.18	117853	1772	119625	0.86	-1.32
	2) Overseas				0.00				0.00	0.00
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 lakh	1056337	476753	1533090	11.02	882521	449695	1332216	9.58	-1.44
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	1225753	0	1225753	8.81	1631605	0	1631605	11.73	2.92
(c)	Others									
	1) NON RESIDENT INDIANS	73526	588	74114	0.53	53402	588	53,990	0.39	-0.14
	2) TRUSTS	32	0	32	0.00	9	0	9	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	**2657110**	**479390**	**3136500**	**22.54**	**26,85,390**	**4,52,055**	**31,37,445**	**22.55**	**0.01**
	Total B=B(1)+B(2):	**3008718**	**489383**	**3498101**	**25.14**	**30,36,285**	**4,61,816**	**34,98,101**	**25.14**	0.00
	Total (A+B) :	**13423503**	**489383**	**13912886**	**100.00**	**1,34,51,070**	**4,61,816**	**1,39,12,886**	**100.00**	0.00
(C)	Shares held by custodians, against which Depository Receipts have been issued									0.00
1	Promoter and Promoter Group									0.00
2	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	**13423503**	**489383**	**13912886**	**100.00**	**1,34,51,070**	**4,61,816**	**1,39,12,886**	**100.00**	0.00

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% change in shareholding during the
		No of Shares	% of total shares of the Company	%of shares Pledged/ encumbered to total shares	No of Shares	% of total shares of the Company	%of shares Pledged/ encumbered to total shares	
1	HRISHIKESH A MAFATLAL	2673046	19.21	0	2673046	19.21	0	0.00
2	NOCIL LIMITED	1269695	9.13	0	1954695	14.05	0	-4.92
3	SUREMI TRADING PVT LTD	1189431	8.55	171141	1189431	8.55	677578	0.00
4	NAVIN FLUORINE INTERNATIONAL LIMITED	1071332	7.70	506437	386332	2.78	0	4.92
5	ALTAMOUNT PRODUCTS AND SERVICES PVT LTD	1064443	7.65	1064443	1064443	7.65	1064443	0.00
6	SUKARMA INVESTMENTS PRIVATE LIMITED	839173	6.03	839123	839173	6.03	839123	0.00
7	REKHA HRISHIKESH MAFATLAL	804283	5.78	0	804283	5.78	0	0.00

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% change in shareholding during the
		No of Shares	% of total shares of the Company	%of shares Pledged/ encumbered to total shares	No of Shares	% of total shares of the Company	%of shares Pledged/ encumbered to total shares	
8	PRIYAVRATA MAFATLAL	558722	4.02	0	558722	4.02	0	0.00
9	HRISHIKESH A MAFATLAL	503104	3.62	0	503104	3.62	0	0.00
10	ANJALI KUNAL AGARWAL	177430	1.28	0	177430	1.28	0	0.00
11	AARTI MANISH CHADHA	149180	1.07	0	149180	1.07	0	0.00
12	CHETNA PADMANABH MAFATLAL	204	0.00	0	204	0.00	0	0.00
13	ARVI ASSOCIATES PVT LTD	25259	0.18	0	25259	0.18	0	0.00
14	GAYATRI PESTICHEM MANUFACTURING PVT LTD	22305	0.16	0	22305	0.16	0	0.00
15	SUSHRIPADA INVESTMENTS PVT LTD	2269	0.02	0	2269	0.02	0	0.00
16	SUMIL HOLDINGS PVT LTD	10	0.00	0	10	0.00	0	0.00
17	SHAMIR TEXCHEM PRIVATE LIMITED	10	0.00	0	10	0.00	0	0.00
18	SHRI HRISHIKESH ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO 1	0	0.00	0	24128	0.17	0	-0.17
19	SHRI HRISHIKESH ARVIND MAFATLAL PUBLIC CHARITBALE TRUST NO 6	786	0.01	0	0	0.00	0	0.01
20	SHRI HRISHIKESH ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO 5	786	0.01	0	0	0.00	0	0.01
21	SHRI HRISHIKESH ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO 4	786	0.01	0	0	0.00	0	0.01
22	SHRI HRISHIKESH ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO 3	786	0.01	0	0	0.00	0	0.01
23	SHRI HRISHIKESH ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO 2	786	0.01	0	0	0.00	0	0.01
24	SHRI HRISHIKESH ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO 1	786	0.01	0	0	0.00	0	0.01
25	SETH NAVINCHANDRA MAFATLAL FOUNDATION TRUST NO 1	16506	0.12	0	16506	0.12	0	0.00
26	SHRI PRANSUKHLAL CHARITY TRUST NO 1 to 6	4716	0.03	0	4716	0.03	0	0.00
27	SHRI ARVIND N MAFATLAL PUBLIC CHARITABLE TRUST NO 4	786	0.01	0	0	0.00	0	0.01
28	SHRI ARVIND N MAFATLAL PUBLIC CHARITABLE TRUST NO 5	786	0.01	0	0	0.00	0	0.01
29	SHRI ARVIND N MAFATLAL PUBLIC CHARITABLE TRUST NO 8	786	0.01	0	0	0.00	0	0.01

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% change in shareholding during the
		No of Shares	% of total shares of the Company	%of shares Pledged/ encumbered to total shares	No of Shares	% of total shares of the Company	%of shares Pledged/ encumbered to total shares	
30	SHRI ARVIND N MAFATLAL PUBLIC CHARITABLE TRUST	786	0.01	0	0	0.00	0	0.01
31	SHRI ARVIND N MAFATLAL PUBLIC CHARITABLE TRUST NO 3	786	0.01	0	0	0.00	0	0.01
32	SHRI ARVIND N MAFATLAL PUBLIC CHARITABLE TRUST NO 2	786	0.01	0	0	0.00	0	0.01
33	SHRI ARVIND N MAFATLAL PUBLIC CHARITABLE TRUST NO 6	786	0.01	0	0	0.00	0	0.01
34	SHRI ARVIND N MAFATLAL PUBLIC CHARITABLE TRUST NO 7	786	0.01	0	0	0.00	0	0.01
35	NAVINCHANDRA MAFATLAL CHARITY TRUST NO 2 to 15	11004	0.08	0	11004	0.08	0	0.00
36	SHRI PADMANABH ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO 6	786	0.01	0	0	0.00	0	0.01
37	SHRI PADMANABH ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO 5	786	0.01	0	0	0.00	0	0.01
38	SHRI PADMANABH ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO 4	786	0.01	0	0	0.00	0	0.01
39	SHRI PADMANABH ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO 3	786	0.01	0	0	0.00	0	0.01
40	SHRI PADMANABH ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO 2	786	0.01	0	0	0.00	0	0.01
41	SHRI PADMANABH ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO 1	786	0.01	0	0	0.00	0	0.01
42	MRS SUSHILA ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO 2	624	0.00	0	0	0.00	0	0.00
43	MRS SUSHILA ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO 1	624	0.00	0	0	0.00	0	0.00
44	MRS SUSHILA ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO 3	624	0.00	0	0	0.00	0	0.00
45	MRS.SUSHILA ARVIND MAFATLAL PUBLIC CHARITABLE TRUS NO 5	624	0.00	0	0	0.00	0	0.00
46	MRS SUSHILA ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO 4	624	0.00	0	0	0.00	0	0.00

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% change in shareholding during the
		No of Shares	% of total shares of the Company	%of shares Pledged/ encumbered to total shares	No of Shares	% of total shares of the Company	%of shares Pledged/ encumbered to total shares	
47	VISHAD PADMANABH MAFATLAL PUBLIC CHARITABLE TRUST NO 1 to 4	2496	0.02	0	2496	0.02	0	0.00
48	MRS MILONI PADMANABH MAFATLAL PUBLIC CHARITABLE TRUST NO 1 to 5	2692	0.02	0	2692	0.02	0	0.00
49	MRS REKHA HRISHIKESH MAFATLAL PUBLIC CHARITABLE TRUST NO 2	624	0.00	0	0	0.00	0	0.00
50	MRS REKHA HRISHIKESH MAFATLAL PUBLIC CHARITABLE TRUST NO 3	624	0.00	0	0	0.00	0	0.00
51	MRS REKHA HRISHIKESH MAFATLAL PUBLIC CHARITABLE TRUST NO 4	624	0.00	0	0	0.00	0	0.00
52	MRS REKHA HRISHIKESH MAFATLAL PUBLIC CHARITABLE TRUST NO 5	624	0.00	0	0	0.00	0	0.00
53	MRS REKHA HRISHIKESH MAFATLAL PUBLIC CHARITABLE TRUST NO 1	624	0.00	0	0	0.00	0	0.00
54	SHRI RISHIPAD PUBLIC CHARITY TRUST N0.1	542	0.00	0	0	0.00	0	0.00
55	SHRI RISHIPAD PUBLIC CHARITY TRUST N0 4	542	0.00	0	0	0.00	0	0.00
56	SHRI RISHIPAD PUBLIC CHARITY TRUST N0 2	542	0.00	0	0	0.00	0	0.00
57	SHRI RISHIPAD PUBLIC CHARITY TRUST N0 3	542	0.00	0	0	0.00	0	0.00
58	SHRI PADMAKESH PUBLIC CHARITY TRUST NO 1 to 4	2168	0.02	0	2168	0.02	0	0.00
59	MRS.VIJAYALAXMI NAVINCHANDRA MAFATLAL PUBLIC CHARITY TRUST NO 16, 19 & 20	1179	0.01	0	1179	0.01	0	0.00
Total		**10414785**	**74.86**		**10414785**	**74.86**		

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	At the beginning Year (01/04/2017)	10414785	74.86	10414785	74.86
2.	At the end of the year (31/03/2018)	10414785	74.86	10414785	74.86

*As mentioned in the Directors Report, there was inter-se restructuring of shareholding amongst promoters. However the total promoter shareholding remains unchanged.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. no	Name of the Share Holder	Shareholding at the beginning of the Year (01st April, 2017)			Shareholding at the end of the Year (31st March, 2018)		
		No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	No of Shares	% of total shares of the company
1	Bharat Jayantilal Patel	508907	3.66	31/03/2017		508907	3.66
				01/09/2017	-508907	0	0.00
				31/03/2018		0	0.00
2	Hardik B. Patel	0	0.00	31/03/2017		0	0.00
				01/12/2017	74707	74707	0.54
				02/02/2018	60000	134707	0.97
				23/03/2018	47256	181963	1.31
				31/03/2018		181963	1.31
3	State Bank Of India	168428	1.21	31/03/2017		168428	1.21
				31/03/2018		168428	1.21
4	Hridaynath Consultancy Private Limited	153525	1.10	31/03/2017		153525	1.10
				07/04/2017	438	153963	1.11
				14/04/2017	-60220	93743	0.67
				02/02/2018	919	94662	0.68
				09/03/2018	-94162	500	0.00
				23/03/2018	-500	0	0.00
				31/03/2018		0	0.00
5	Life Insurance Corporation Of India	142815	1.03	31/03/2017		142815	1.03
				31/03/2018		142815	1.03
6	Minal Bharat Patel	110685	0.80	31/03/2017		110685	0.80
				01/12/2017	-110685	0	0.00
				31/03/2018		0	0.00
7	Ruchit Bharat Patel	4749	0.03	31/03/2017		4749	0.03
				02/02/2018	50000	54749	0.39
				23/03/2018	48000	102749	0.74
				31/03/2018		102749	0.74

Sl. no	Name of the Share Holder	Shareholding at the beginning of the Year (01st April, 2017)			Shareholding at the end of the Year (31st March, 2018)		
		No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	No of Shares	% of total shares of the company
8	Mayur V Shah	16200	0.12	31/03/2017		16200	0.12
				21/04/2017	8800	25000	0.18
				28/04/2017	1300	26300	0.19
				05/05/2017	800	27100	0.19
				12/05/2017	4200	31300	0.22
				19/05/2017	1995	33295	0.24
				26/05/2017	1357	34652	0.25
				02/06/2017	1104	35756	0.26
				09/06/2017	653	36409	0.26
				16/06/2017	1591	38000	0.27
				23/06/2017	3000	41000	0.29
				28/07/2017	4126	45126	0.32
				04/08/2017	7926	53052	0.38
				25/08/2017	3051	56103	0.40
				01/09/2017	1946	58049	0.42
				08/09/2017	10398	68447	0.49
				15/09/2017	1553	70000	0.50
				13/10/2017	7188	77188	0.55
				20/10/2017	1812	79000	0.57
				27/10/2017	875	79875	0.57
				03/11/2017	3178	83053	0.60
				10/11/2017	2624	85677	0.62
				24/11/2017	424	86101	0.62
				01/12/2017	3899	90000	0.65
				31/03/2018		90000	0.65
9	Bharat Jayantilal Patel	85312	0.61	31/03/2017		85312	0.61
				01/09/2017	508907	594219	4.27
				31/03/2018		594219	4.27
10	Bharati Bharat Dattani	23740	0.17	31/03/2017		23740	0.17
				19/05/2017	4224	27964	0.20
				02/06/2017	2233	30197	0.22
				09/06/2017	9290	39487	0.28
				16/06/2017	1415	40902	0.29
				30/06/2017	8741	49643	0.36
				07/07/2017	10	49653	0.36
				14/07/2017	4115	53768	0.39
				21/07/2017	9871	63639	0.46
				28/07/2017	1000	64639	0.46
				18/08/2017	385	65024	0.47
				08/09/2017	1323	66347	0.48
				06/10/2017	63	66410	0.48
				13/10/2017	878	67288	0.48
				16/02/2018	120	67408	0.48
				16/03/2018	994	68402	0.49
				31/03/2018		68402	0.49

Sl. no	Name of the Share Holder	Shareholding at the beginning of the Year (01st April, 2017)			Shareholding at the end of the Year (31st March, 2018)		
		No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	No of Shares	% of total shares of the company
11	Mayur V Shah	0	0.00	31/03/2017		0	0.00
				09/06/2017	532	532	0.00
				16/06/2017	1606	2138	0.02
				23/06/2017	6083	8221	0.06
				30/06/2017	436	8657	0.06
				14/07/2017	6977	15634	0.11
				21/07/2017	1359	16993	0.12
				28/07/2017	7	17000	0.12
				11/08/2017	1371	18371	0.13
				15/09/2017	9102	27473	0.20
				29/09/2017	11176	38649	0.28
				13/10/2017	2071	40720	0.29
				17/11/2017	2280	43000	0.31
				01/12/2017	12000	55000	0.40
				08/12/2017	5000	60000	0.43
				31/03/2018		60000	0.43
12	Bharat Jamnadas Dattani	49772	0.36	31/03/2017		49772	0.36
				23/06/2017	1217	50989	0.37
				14/07/2017	2959	53948	0.39
				21/07/2017	2777	56725	0.41
				06/10/2017	599	57324	0.41
				24/11/2017	-4000	53324	0.38
				31/03/2018		53324	0.38
13	Punjab National Bank	39078	0.28	31/03/2017		39078	0.28
				31/03/2018		39078	0.28
14	Tanvi Jignesh Mehta	38305	0.28	31/03/2017		38305	0.28
				21/04/2017	443	38748	0.28
				28/04/2017	500	39248	0.28
				26/05/2017	-1000	38248	0.27
				16/06/2017	3568	41816	0.30
				23/06/2017	300	42116	0.30
				07/07/2017	1000	43116	0.31
				11/08/2017	531	43647	0.31
				01/09/2017	-1455	42192	0.30
				15/09/2017	-4276	37916	0.27
				13/10/2017	3453	41369	0.30
				20/10/2017	425	41794	0.30
				27/10/2017	2610	44404	0.32
				03/11/2017	600	45004	0.32
				10/11/2017	2010	47014	0.34
				24/11/2017	3000	50014	0.36
				15/12/2017	1000	51014	0.37
				22/12/2017	500	51514	0.37
				29/12/2017	336	51850	0.37
				12/01/2018	500	52350	0.38
				19/01/2018	206	52556	0.38
				02/02/2018	-1251	51305	0.37
				16/02/2018	-5030	46275	0.33
				02/03/2018	-1689	44586	0.32
				09/03/2018	-1000	43586	0.31
				31/03/2018		43586	0.31
15	JYOTI S. NANAVATI	36676	0.26	31/03/2017		36676	0.26
				31/03/2018		36676	0.26

(v) Shareholding of Directors and Key Managerial Personnel (KMP):

Sr. No.	Shareholding of each Directors and KMP	Shareholding at the beginning of the year (01st April, 2017)		Cumulative Shareholding at the end of the year (31st March, 2018)	
		No of Shares	%of total shares of the Company	No of Shares	%of total shares of the Company
1	Shri Hrishikesh A. Mafatlal – Executive Chairman At the beginning of the year	2349347	16.89	3176150	22.83
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) 12.08.2016	-	-	-	-
	At the end of the year	3176150	22.83	3176150	22.83
2	Shri Priyavrata H. Mafatlal	554232	3.98	558722	4.02
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	4490	0.04	-	-
	At the end of the year	558722	4.02	558722	4.02
3	Shri Vilas R. Gupte	2	0		
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-		
	At the end of the year	2	0		
4	Shri Pradip N. Kapadia	138	0		
5	Shri A. K. Srivastava*	NA	NA	NA	NA
6	Shri Aniruddha P. Deshmukh*	NA	NA	NA	NA
7	Shri Gautam Chakravarti*	NA	NA	NA	NA
8	Smt. Latika P. Pradhan*	NA	NA	NA	NA
9	Shri Sujal A. Shah*	NA	NA	NA	NA
10	Shri Milan P. Shah (Chief Financial Officer)*	NA	NA	NA	NA
11	Shri Ashish A. Karanji (Company Secretary*	NA	NA	NA	NA

*None of them hold any shares and there is no change in shareholding during the year.

i. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment as on 31st March, 2018

₹ In Lakhs

Indebtedness as on 31.03.2018	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	25,037.68	-	-	25,037.68
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	134.87	-	-	
Total (i+ii+iii)	**25,172.55**	**-**	**-**	**25,172.55**
Change in Indebtedness during the financial year				
• Addition	1,883.81	-	-	1,883.81
• Reduction	3,630.75	-	-	3,630.75
Net Change	-1,746.94	-	-	-1,746.94
Indebtedness at the end of the financial year				
i) Principal amount	23,359.75	-	-	23,359.75
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	65.85	-	-	65.85
Total (i+ii+iii)	**23,425.61**	**-**	**-**	**23,425.61**

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager for the year 2017-18

(₹in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		
		Shri A. P. Deshmukh, MD& CEO	Shri P. H. Mafatlal	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act,1961	238.91	54.34	293.25
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	0.40	0.40	0.80
	(c) Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961	Nil	Nil	Nil
2	Stock Option (no. of options granted, not yet vested/exercised)	18000	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission – as % of profit – Other, specify	Nil	Nil	Nil
5	Other, please specify			
	a. Company's contribution to the Provident Fund	11.76	3.12	14.88
	b. Company's contribution to the Superannuation Fund	0.06	3.90	3.96
	c. PL encashment	Nil	Nil Nil	Nil
	d. Gratuity (at the end of tenure)			Nil
	Total (A)	**251.14**	**61.76**	**312.9**
	Ceiling as per Sec.197 of The Companies Act, 2013	**Negative**	**Negative**	**Negative**

B. Remuneration to other Directors for the year 2017-18:

Sr. No.	Particulars of Remuneration	(₹ in Lakhs)					Total Amount
1	**Independent Directors**	**Shri V. R. Gupte**	**Shri P. N. Kapadia**	**Smt. Latika Pradhan**	**Shri Sujal Shah**	**Shri Gautam Chakravarti**	
	• Fee for attending Board & Committee Meetings	12.25	9.80	10.50	10.50	11.55	
			Nil	Nil	Nil	Nil	
	• Commission		Nil	Nil	Nil	Nil	
	• Others, please specify						
	Total (1)	**12.25**	**9.80**	**10.50**	**10.50**	**11.55**	**54.60**
2	**Other Non-Executive Directors**	**Shri A. K. Srivastava**					
	• Fee for attending Board & Committee Meetings	7.35					
	• Commission	Nil					
	• Others, please specify	Nil					
	Total (2)	**7.35**					**7.35**
	Total (B)=(1+2)						**61.95**
	Overall Ceiling as per the Act						**Negative**
	Total Remuneration(A)+(B)						**61.95**

There is no commission paid to any directors in respect of financial year 2017-18. Shri H. A. Mafatlal was appointed as Executive Chairman of the Company w. e. f. 1.11.2017 for a period of five years subject to the approval of the shareholders at ensuing Annual General Meeting. However, he has voluntarily waived receiving any remuneration during 2017-18. Accordingly, no remuneration was paid to him for the year ended 31st March, 2018.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD for 2017-18:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel (₹ in Lakhs)		
		Shri Milan P. Shah (Chief Financial Officer)	Shri A.A. Karanji (Company Secretary)	Total
1.	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	178.22	27.21	205.43
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961	0.40	0.33	0.73
2.	Stock Option (no. of options granted but not vested/exercised)	14,000		
3.	Sweat Equity			
4.	Commission - as % of profit - others, specify...	Nil	Nil	
5.	Others, please Specify	Nil	Nil	Nil
	a. Company's contribution to the Provident Fund	8.75	1.29	10.04
	b. Company's contribution to the Superannuation Fund	1.50	1.60	3.10
	c. PL encashment	Nil	Nil	Nil
	d. Gratuity (at the end of tenure)	Nil	Nil	Nil
	Total	**188.87**	**30.43**	**219.30**

VI. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES DURING THE YEAR 2017-18:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD I NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Sec.118 read with 454 of Companies Act, 2013	Printing of Minutes on both sides of pages of the Minutes books and numbering (Board/ Committee / General Body)	₹20,000/- each on the Company for five matters	ROC	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	Sec. 193 read with 441 of Companies Act, 1956	Printing of Minutes on both sides of pages of the Minutes books and numbering (Board/ Committee / General Body)	₹500 /each on the Company for five matters	RD	NO.
B. DIRECTORS					
Penalty	118 of Companies Act, 2013	Printing of Minutes on both sides of pages of the Minutes books and numbering (Board/ Committee / General Body)	₹ 2000/- each for two WTDs/directors for five matters	ROC	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	193 of Companies Act, 1956	Printing of Minutes on both sides of pages of the Minutes books and numbering (Board/ Committee / General Body)	₹ 500 each for two WTDs /directors for five matters.	RD	N.A.
C. OTHER OFFICERS IN DEFAULT					
Penalty	118 of Companies Act, 2013	Printing of Minutes on both sides of pages of the Minutes books and numbering (Board/ Committee / General Body)	₹ 2000 Per KMP for five matters	ROC	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	193 of Companies Act, 1956	Printing of Minutes on both sides of pages of the Minutes books and numbering (Board/ Committee / General Body)	₹ 500/- Per KMP for five matters.	RD	N.A.

Pursuant to the inspection done by the Regional Director, showcause notices were issued notifying certain alleged procedural technical/clerical/legal lapses for the year 2013-14, 2014-15 and 2015-16. As advised by Company Counsel/Consultants though we had reasonably good grounds of defense but with a view to avoid further issues, save time, efforts, litigation and the cost, the Company opted for compounding and accordingly, the Company, whole time directors & Key Managerial Personnel for relevant period who were issued notices had paid the requisite amounts towards compounding and as directed paid requisite amounts towards adjudication. Appropriate forms towards the compliance have been filed. The Company has taken required steps to strengthen the procedural aspect of the compliance management to ensure no such things are repeated. The Secretarial Auditors have also made some observations in this regards for which the aforesaid clarification/explanation is to be considered as explanation.

OTHER DISCLOSURES UNDER DIRECTORS REPORT:

(B) Number of Meetings of the Board:

During the year 2017-18 i.e. from 1.04.2017 to 31.03.2018, ten meetings of the Board of Directors of the Company were held.

(C) Changes in Share Capital:

During the year 2017-18 there is no change in the Share Capital of the Company.

(D) Declaration given by Independent Directors:

Pursuant to the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV, all the Independent Directors of the Company viz. Shri V. R. Gupte, Shri P. N. Kapadia, Smt. Latika P. Pradhan, Shri. Gautam G. Chakravarti, and Shri Sujal A. Shah, submitted their declaration of independence and the same has been taken on record by the Board of Directors of the Company at their meeting held on May 3, 2018.

(E) Company's Policy on Directors Appointments and Remuneration:

In compliance with the provisions of Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee of the Board of Directors have formulated the criteria for determining qualifications, positive attributes and independence of a director and also recommended to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees, which have been approved and adopted by the Board. The same is reproduced herein below:

A. Criteria for appointing a Director:

a. He should be a person of integrity, with high ethical standards.

b. He should be able to commit to his responsibilities and devote sufficient time and attention to his professional obligation as a Director.

c. He should be having positive thinking, courtesy, humility.

d. He should be knowledgeable and diligent in updating his knowledge.

e. He should have qualifications, skills, experience and expertise by which the Company can benefit.

f. In respect of independent director, in addition to the above (a) to (e), he should fulfill the criteria for being appointed as an Independent Director prescribed under Section 149 of the Companies Act, 2013.

g. In respect of Executive/Whole time Director/Managing Director, in addition to above (a) to (f), he should have strong quality of leadership and team mentoring, recognition, management skills, vision, ability to steer the organization even in adverse conditions, innovative thinking, result oriented approach, ability to enhance reputation of the organization.

B. Criteria for appointing a Senior Management Employee/ Key Managerial Personal:

a. He should have the required educational qualification, skills and functional knowledge for the post and eye for detailing & compliance

b. He should have integrity, humility, positive thinking, leadership qualities, sincerity, alert, hardworking, team building ability, good soft skills, transparency in dealings with the Company and other stakeholders.

c. Screening of the potential conflicts of interest and independence.

d. Detailed background information in relation to a potential candidate should be provided to all directors.

e. The identification of potential candidates may be assisted by the use of external search organizations as may be considered appropriate.

C. Policy on Remuneration:

The remuneration policy of the Company is performance driven and is structured to motivate Directors, Key Managerial Personnel, Senior Management and other employees, recognizing their talent, merits, achievements and promote excellence in their performance.

1. For Executive/Whole time Directors including Managing Director and Key Managerial Personnel and Senior Management and other employees:

The Board of Directors and Nomination & Remuneration Committee (subject to applicable authorization from shareholders) is authorized to decide /recommend the remuneration and other terms of appointment of such Directors and Senior Management employees (one level below executive directors) and Key Management Personnel and other employees of the Company. The remuneration structure shall inter-alia, include salary, perquisites, retirement and/superannuation benefits performance linked incentives, commission, bonus and other entitlements as applicable from time to time as per law and/or as per HR Policy decided by the management of the Company. Based on the performance appraisals, the changes in the remuneration shall be decided/recommended by the management/executive directors.

The remuneration on appointment and on appraisal based on the performance of other employees (other than senior management & Key Managerial Personnel) shall be decided by the functional head or business head from time to time considering the HR policy of the Company. The remuneration components shall include basic salary, allowances, perquisites, retiral benefits, incentives, and bonus, variable incentive pay as may be decided by the Management from time to time.

The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate employees at all levels, having regard to the industry practice.

2. Other Terms applicable to Executive Directors and Senior & Key Management employees:

i. The Remuneration and terms of employments shall be fixed/ recommended in such a manner that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

ii. The remuneration shall involve a good balance between fixed and incentive pay (considering industry benchmark/ practice) reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

iii. No director or executive should be directly involved in determining their own remuneration or performance evaluation.

iv. The Executive Director, Whole time Director/ Managing Director and/or Senior Management Employee shall be eligible for advances/loans as per prevalent HR Policy of the Company subject to the applicable statutory provisions and approvals.

3. Non-Executive Directors:

The remuneration for Non-Executive Directors (including independent directors) shall be fixed after considering following factors:

i. Sitting fees shall be within the limits prescribed under the Companies Act, 2013 and Rules framed thereunder for attending meetings of the Board and Committee thereof.

ii. Commission up to 1% of net profit as may be decided by the Board subject to required approvals of shareholders

iii. The level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.

(F) Comments on the Auditors Report:

The Audit Report on the financial statements for the year ended on 31st March, 2018 and observations/comments/ remarks etc. made by statutory auditors of the Company read with the Notes to Financial Statements, are self-explanatory and hence does not require any further comments/clarification by the Board of Directors of the Company.

(G) Particulars of Loans, Guarantees or Investments:

During the year the Company has sold 6250 equity shares of Navdeep Investment Limited.

During the year 2017-18 the Company has not granted any loan or provided any guarantee or security for any loan .

(H) Material changes affecting financial position:

No changes and commitments affecting the financial position of the Company have occurred during the year under review as well as the period between the end of the financial year till the date of this report.

(I) Development and implementation of Risk Management Policy:

The Board of Directors of the Company has framed Risk Management Policy, Foreign Currency Risk Management Policy and also the Commodity Risk Management Policy. The Board periodically review the Forex exposures, its hedging and Cotton hedging status. The Board has also constituted Risk Management Committees consisting of Directors and senior management of the Company to implement the Risk Management Policy. The Board has not identified any element of Risk which may threaten the existence of the Company or its business at large.

(J) Details about the Policy developed and implemented by the Company on CSR and initiative taken:

The Board of Directors of the Company has framed CSR Policy for the Company as per the recommendation of CSR Committee of the Board. The Company has NIL CSR Obligation for the year 2017-18 hence there is no CSR expenditure incurred by the Company. The further prescribed details are mentioned under other para of this annexure.

(K) Composition of Audit Committee:

The Audit Committee of the Board of Directors of the Company, comprises of Shri V. R. Gupte (Chairman), Shri Sujal Shah, Smt. Latika Pradhan and Shri Gautam G. Chakravarti, (other Members). All the recommendations made by the Audit Committee on various matters have been accepted by the Board. Further details on the Audit committee are provided in the Corporate Governance Report which is annexed to this Directors Report.

(L) Vigil Mechanism:

The Board has framed a Whistle Blower Policy/ Vigil Mechanism which is in line with the provisions of Section 178 of the Companies Act, 2013 read with the provisions of SEBI (LODR) Regulations. 2015. There is no complaint received by the Company under Whistle Blower Policy of the Company. Further details in respect of the vigil mechanism is provided in the Corporate Governance Report which is annexed to this Directors Report.

(M) Other Disclosures:

1. Statement containing the salient feature of the financial statement of Company's subsidiaries, associate company /joint venture company in the prescribed format i.e. AOC- I :

   The relevant information is provided in the Notes to the Consolidated Financial Statements.

2. Particulars of Contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 :

All the related party transactions are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc., which may have potential conflict with the interest of the Company at large. The Related Party Transaction Policy as approved by the Board is uploaded on the Company's website. Further details on Related Party Transactions are disclosed in the Notes to Financial Statements. The Company has not entered into any materially significant related party transactions. All the Related Party Transactions entered in to by the Company are in ordinary course of business and on arm's length basis except the promoters shareholding changes (selling of shares of Navin Fluorine International Limited and purchase of shares of NOCIL Limited by the Company) which were on arms' length basis, for which requisite approvals from the Audit Committee and the Board of Directors were obtained. The transaction amounts were not exceeding the applicable statutory limits and therefore no approvals from the shareholders were required.

3. Conservation of Energy, Technology Absorption and Foreign Exchange Earning & Out go :

(1) CONSERVATION OF ENERGY :

(A) ENERGY CONSERVATION MEASURES TAKEN:

- 26 Lakh Units Solar Power utilised through Bilateral agreement with Solarism.
- Installed Thermic Fluid Heater to reduce stenter heating cost.
- Installed energy efficient 6400 CFM centrifugal compressors to reduce power consumption.
- Installed VFD in ID fan of Boiler to reduce CPP auxilury power consumption.
- Reduced DM water consumption by 14% by utilising Condensate water in CPP.
- Installed LED lights in Weaving, RA trenches & process department.
- Installed fully automised Humidification Plant in Weaving Department.
- Installed fully automised Caustic Recovery Plant to increase the utilisation of recycled caustic.
- Installed 3 stage RO system on ETP to reduce water consumption.
- Installed 4 stage Multi Effective Evaporator to reduce water consumption.
- Water consumption reduced in various process machines.
- Recycled cooling water of Seinging machines.
- Installed Float steam trap in place of conventional Bucket trap to reduce steam wastages.
- Installed VFD (Inverter) in PA Fan of FBC Boiler to control speed instead of controlling Damper.
- Reduced Submersible pump capacity at New Unit.
- Replaced Energy saving spindle in Old Ring Frame in Spinning Department.
- Installed Timer in Ring Frame O.H.C. to reduce energy consumption.
- To reduce power consumption in Ring Frame m/c, converted to Flat Belt drive instead of V belt drive.
- Installed energy efficient LED Lights in place of conventional Electronics / Copper ballast Tube light fixtures .
- Installed VFD Controlled Water Pressure control system
- Replaced old Reciprocating Air compressor with new Energy efficient Centrifugal and screw Air compressors.

(B) ADDITIONAL INVESTMENTS AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY :

i. Installation of new machines for better Process Performance and low specific energy consumption.

   High Speed Tsudokoma Air Jet looms.

   High Speed ITEMA Air Jet Looms ITEMA Rapier Looms

   Yarn Steaming Machine Make:Sieger. Osthof Seinging Machine

Conversion of Stenters from PNG to Oil.

II. Installation of new latest technology machines for better Process performance and low specific energy consumption.

a) Ingersoll Rand Centrifugal Air compressor and ELGI Screw Air compressor

b) Advance make energy efficient Cooling tower

c) Puriflair make Air dryers

d) Thermax make VTIF 20 Thermic Heater

e) Luwa Humidification systems with Automation

f) Water softening plant

g) Zimmer 12 Color Rotary Printing m/c

h) Texfab Print washer

i) Inspiron make Motex Stenter m/c with Heat recovery system

j) FIMAT Screen coating m/c

k) CST Laser Rotary Engraving m/c

l) Konica Minolta Digital printing m/c

m) Biancalani Aero 24

n) Roving stop motion

o) Embee Printing mc

Investments Proposals if any.

1 Installation of New attachment to reduce energy consumption.

a. Optipneuatex Unit on 4 nos of New LMW Ring Frame

b. VFD with Pressure Transducer control on Auto Conner Model 238

2 Installation of New Energy Efficient Screw Air Compressors at New Unit

I) IMPACT OF THE MEASURES AT (A) & (B) ABOVE FOR REDUCTION OF THE ENERGY CONSUMPTION AND CONSEQUENT IMPACT ON THE COST OF PRODUCTION OF GOODS :

- Water consumption in Ltr/Mtr reduced by 9% due to various water saving activities.
- Steam KG / Mtr reduced from 4.58 Kg/Mtr to 4.44 Kg/Mtr due to various Energy saving activities and enhanced utilization of machines.
- Power consumption in Compressor Unit / Mtr reduced by 2.63% due to optimising the compressed air system.
- Utilisation of Recycled caustic increased by 25% due to Automation in Caustic recovery plant & optimising Mercerise machine parameters.
- Reduced cost of Coal & PNG by 1.08 % by installing Thermic Fluid Heater & various energy saving activities.
- Specific Power consumption of Spg. dept has been reduced to 4.50 Units/ Kg as compared to previous year's of 4.65 units/ Kg .
- Specific Steam consumption of Processing has been reduced to 24.16 kg/kg as compared to previous year 25.39 kg/kg of finished fabric .
- Total Power consumption has been reduced to 1.21 Units/ Mtr as compared to previous year of 1.34 units/ Mtr of finished fabric .
- Solid fuel consumption has been reduced to 1.17 Kg / Mt of Finished fabric as compared to previous year of 1.24 Kg / Mt of finished fabric
- In-house Power Generation from COGEN has been increased to 106.73 Lakhs / Annum as compared to last year of 80.51 Lakhs.

II) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION :

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

FORM-A

				Current Year* 2017-18	Previous Year 2016-17
A.	**POWER AND FUEL CONSUMPTION**			**12 Months**	12 Months
	1	**Electricity:**			
		a)	Purchased: Units Lacs KWH	**630.72**	633.94
			Total Cost (Lacs ₹)	**5015.53**	5012.25
			Rate / KWH	**7.95**	7.91
		b)	Own Generation:		
		i)	Through Diesel Generator:		
			Units Lacs KWH	**0.01**	0.01
			Unit per litre of diesel oil (KWH)	**2.61**	2.79
			Cost/Unit (Only Diesel) (₹)	**26.22**	22.40
		ii)	Through Gas Generator		
			Units Lacs KWH	**2.22**	4.14
			Cost/Unit (Only Natural Gas)(₹)	**9.60**	8.85
		iii)	Through Steam Turbine/Generator		
			Units Lacs KWH	**264.30**	265.79
			Cost/Unit (Only Coal /Lignite/Baggas (₹)	**3.49**	3.03
	2	**Coal/ Lignite : (Specify quality and where used)**			
		Steam Coal and Lignite used for Steam Genration in			
		Boilers for Departmental use.			
		Quantity (Tonnes)		**76727**	75541
		Total Cost (₹ Lacs)		**3759.58**	3428.64

	FORM-A	Current Year*	Previous Year
	Average Rate / Tonne (₹)	**4899.93**	4538.81
3	**Furnace Oil:**		
	Quantity (K Ltrs.)	**0.000**	0.000
	Total Amount (₹ in lacs.)	**0.00**	0.00
	Average Rate (₹/Ltr.)		
4	**Others/Internal Generation:**		
B.	**Consumption Per Unit of Production:**		
1	**Electricity :**		
	Purchased and Genration		
	KWH/Metre of Grey Production*	**1.46**	1.66
	KWH/Metre of Wet Production	**0.51**	0.33
	Chemicals		
2	**Furnace OIl:**		
	Litre/KWH of Grey Production		
	KWH/Metre of Wet Production		
3	**Coal/ Lignite : (Specify quality - Steam Coal)**		
	Kgs. of Coal/ Lignite/Metre of Grey Production	**0.127**	0.21
	Kgs. of Coal/Lignite Metre of Wet Production	**0.96**	0.89
	(Finished Production)		
4	**Others**	**N.A.**	N.A.
	* Energy details of only operational units at Nadiad and Navsari are considered in above calculations.		

	FORM-B	Current Year 2017-18	Previous Year 2016-17
	Consumption Per Unit of Production : -		
1	**Electricity :-**		
	Purchased and Generated units consumed	**50478007**	
	For Grey Production	**3.8996**	1.81
	For Wet Production	**2.5126**	0.26
2	**Furnace Oil : -**		
	For Grey Production		
	For Wet Production		
3	**Coal : -**	**40199000**	
	For Grey Production	**2.23** **2.1993**	0.18
	For Wet Production	**3.8267** **5.1221**	0.93
4	**Other : -**		
	Fuel for Steam		
	For Grey Production		N.A.
	For Wet Production		N.A

(2) TECHNOLOGY ABSORPTION:

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

FORM - B

A) RESEARCH AND DEVELOPMENT :

1. Specific areas in which R. & D. carried out by the Company:
   1. Lab upgraded to international standards for better control over quality and customer service.
   2. Inhouse Bleaching process established to meet the market requirement of specific product category.
   3. New dimension to Denim given with addition of new concepts of Bi-stretch denim & Warp stretch denim.
   4. New Seasonal collection made for Domestic and Exports market as per the recent trend of respective market and customer demand.
   5. Polyester - Cotton blend stretch yarn developed in-house to meet the customer requirement.
   6. Reed group rationalization introduced in weaving to increase productivity and efficiency.
   7. Packing material testing started as inward quality control to increase control of quality.

2. **Benefit derived as a result of the above R. &D. :**
   1. Technology up-gradation, quality improvement, value engineering, pollution control, energy conservation, increase productivity & efficiency, de-risking the business, Organization brand building, longer business projections, Profitable and Competitive business, and strengthening Sustainability.

3. **Future Plan of Action :**
   1. New Equipments to procure in Quality Assurance Lab to create complete testing capacity in-house.
   2. Spectrophotometer based testing of dyed yarn in dyeing for better control over shade.
   3. Technology upgradation for in-house spinning of Blends and Dual Core Spinning.
   4. Looms upgradation to operate eight shaft on old 209i model.
   5. To start using raw water in washing to reduce soft water consumption and to reduce cost.
   6. To start design department for better presentation of products and customer service.
   7. To introduce LED lightings in department to reduce power consumption.
   8. To introduce Co-creation concept with business partners and customers to compete the market.
   9. To make collection with recycled raw material to strengthen sustainable product portfolio.
   10. To upgrade the processing machines with scientific controls for better process parameter control.

EXPENDING ON R. &D. :

Details		**Current Year 2017-18 (₹ in Lakhs)**	Previous Year 2016-17 (₹ in Lakhs)
(a)	Capital Expenditure	-	–
(b)	Recurring Expenditure	**95.89**	85.11
(c)	Total	**95.89**	85.11
(d)	Total R. & D. Expenditure as a percentage of total turnover	**0.08%**	0.07%

B) TECHNOLOGY ABSORPTION AND INNOVATION:

1. **Efforts in brief made towards technology absorption, adaptation and innovation :**
   1. Autocoro 5 machine for Open end spinning upgraded with new parts and started in operations.
   2. In spinning department Fly catcher designed in-house and installed to improve yarn quality and hygiene in department.
   3. In finishing department the overdyeing machine is modified to meet the quality production.
   4. Single box mercerization concept introduced for Sulphur dyed fabric mercerization.

2. **Benefits derived as a result of the above efforts :**
   1. Increased productivity and quality.
   2. Created hygiene in the operations and improved quality.
   3. Competitive product created for business profitability and de-risking.
   4. Energy conservation in operations.
   5. Organization brand building.

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

(a)	Technology Imported:	Auto titrators in dyeing, 96 New Looms in weaving and Lafer Brushing machine in processing.
(b)	Year of Import :	2016, 2017
(c)	Has technology been fully absorbed :	Yes
(d)	If not fully absorbed, not taken place, reasons therefore and future plans of action.	N.A.

III. FOREIGN EXCHANGE EARNING AND OUTGO:

(A) Activity relating to exports 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 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:

(₹in Lakhs)

	Current Year 2017-18	Previous Year 2016-17
Total Foreign Exchange used	**1,600.47**	5706.14
Total Foreign Exchange earned	**19,005.64**	15721.30

(4) STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

In compliance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the performance evaluation was carried out as under:

Board:

In accordance with the criteria suggested by The Nomination and Remuneration Committee, the Board of Directors evaluated the performance of the Board, having regard to various criteria such as Board composition, Board processes, Board dynamics etc. The Board was of the unanimous view that performance of the Board of Directors as a whole was satisfactory.

Committees of the Board:

The performance of Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee was evaluated by the Board of Directors of the Company having regard to various criteria such as committee composition, committee processes, committee dynamics, presence of members, no. of meetings held etc. The Board was of the unanimous view that all the committees were performing their functions satisfactorily and according to the mandate prescribed by the Board under the regulatory requirements including the provisions of the Companies Act, 2013, the Rules framed thereunder and SEBI (LODR) Regulations, 2015

Individual Directors:

(a) Independent Directors: In accordance with the criteria suggested by The Nomination and Remuneration Committee, the performance of each independent director was evaluated by the entire Board of Directors (excluding the director being evaluated) on broad parameters like engagement, leadership, analysis, decision making, communication, governance and interest of stakeholders. The Board was of the unanimous view that each independent director was a reputed professional and brought his/her rich experience to the deliberations of the Board. The Board also appreciated the contribution made by all independent directors in guiding the management to achieving growth and continuance of each independent director on the Board will be in the interest of the Company.

(b) Non-Independent Directors: The performance of each of the non-independent directors was evaluated by the Independent Directors at their separate meeting held on 28th March, 2018 wherein all the Independent Directors were present. Further, the performance of all Non-Independent Directors was also evaluated by the Board of Directors. The various criteria considered for the purpose of evaluation included leadership, engagement, transparency, analysis, decision making, functional knowledge, governance and interest of stakeholders. The Board was of the unanimous view that each of the non-independent directors was providing good business and people leadership.

5. DISCLOSURE UNDER SECTION 197(12) AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

The requisite details relating to ratio of remuneration, percentage increase in remuneration etc. as stipulated under the above Rules are provided herein under:

Note: The Company has considered the management cadre employees remuneration while calculating the median concept and accordingly provided the details.

i. Ratio of remuneration of each Director to the median remuneration of the employees of the company for the financial year 2017-18:

Sr. No.	Director	Remuneration (₹ in Lakhs)	Median Remuneration* (₹in lacs)	Ratio *
1	Shri H. A. Mafatlal, Chairman	Nil	2.79	NA
2	Shri A K Srivastava	7.35	2.79	2.63
3	Shri V. R. Gupte	12.25	2.79	4.39
4	Shri P. N. Kapadia	9.80	2.79	3.51
5	Smt. Latika Pradhan	10.50	2.79	3.76
6	Shri Gautam Chakravarti	11.55	2.79	4.14
7	Shri Sujal Shah	10.50	2.79	3.76
8	Shri Aniruddha P. Deshmukh, Managing Director & CEO	251.14	2.79	90.01
9	Shri P. H. Mafatlal	61.76	2.79	22.13

*The ratio is considered only for Executive Directors (ED) comparing the median remuneration of management employees of ₹2.79 lakhs (₹ 2.64 lakhs in previous year) with the remuneration of EDs. The Non-Executive Directors were only paid fees for attending Board & Committee meetings for the year 2017-18. Shri H A Mafatlal, Executive Chairman has voluntarily waived his remuneration for the year 2017-18. Accordingly no remuneration was paid to him.

ii. Percentage increase in remuneration of each Director, CFO, CEO, Company Secretary in the financial year 2017-18:

The remuneration increase given to MD & CEO was 10%, CFO was 10% and CS was 38.2%. There is no increase in remuneration of other executive or non-executive directors

iii. Percentage increase in median remuneration of employees in the financial year: 6 % (5% in previous year)

iv. The number of permanent employees on the rolls of the company: 2939 (2808 last year)

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase in the salaries of employees is 6% (7% in previous year). There is no exceptional increase in the managerial remuneration.

vi. The key parameters for any variable component of remuneration availed by the directors:

None. Except that Whole-time Directors are entitled for a commission of 1% on the net profit of the Company calculated in the manner prescribed under the Companies Act, 2013 which has not been paid.

vii. Details of the employees employed for full year or part of the year having remuneration of ₹102 lakhs p.a. where employed for the full year:

(Note: Remuneration includes salary, allowances, perquisites, contribution to PF, Superannuation fund, leave encashment and retire-mental benefits incl. of gratuity etc. in case of employees who have resigned/ retired.)

The details are provided in the following prescribed format. Name, Designation, remuneration received Rupees in lakhs, nature of employment (contractual or otherwise), qualification, experience (in years), date of commencement of employment, age of employees (in years), last employment held before joining this company, % of equity shares held by the employee, whether such employee is a relative of any of the Director (answer in yes or no and if yes, name of the Director)

(a) Shri Deshmukh Aniruddha, MD & CEO, 251.14 lakhs, contractual, Mechanical Engineer from VNIT, Nagpur, Post-Graduation in Business Administration from IIM, Calcutta, 34 years of diverse experience, 13.08.2015, 60 years, Raymonds Ltd., Nil, No. (b) Shri Maheshwari V. K., President & Business Head (Textiles), 131.90 lakhs, Bachelor of Textiles (Hons), 32 years, 01.06.2014, 54 years, Morarjee Textiles Ltd., Nil, No. (c) Shri Raghunath M. B., President & Business Head (MSD), 148.19 lakhs, contractual, Degree in Physics, MBA- Mktg from NMMIS-Mumbai, 32 years of experience, 01 .04.1995, 53 years, Berger Paints, Nil, No. (d) Shri Shah Milan, CFO (w.e.f.19.09.2015),188.87 lakhs, contractual, B.Com, FCA, CS, 33 years of experience, 59 years, Arvind Limited, Nil, No. (e) Shri Shah Suketu, 104.99 lakhs, contractual, B.Sc. D.T.C from M.S University, 31 years of experience, 56 years, Arvee Denim Limited, Nil. No.

viii. Details of the employees employed for the part of the year and having salary of not less than ₹8.50 lakhs per month:

(Note: Remuneration includes salary, allowances, perquisites, contribution to PF, Superannuation fund, leave encashment and retiremental benefits incl. of gratuity etc. in case of employees who have resigned/ retired.)

The details are provided in the following prescribed format. Name, Designation, remuneration received, nature of employment (contractual or otherwise), qualification, experience (in years), date of commencement of employment, age of employees (in years), last employment held before joining this company, % of equity shares held by the employee, whether such employee is a relative of any of the Director (answer in yes or no and if yes, names of Directors) :

Shri Pandya Manoj, Sr. V P (upto 17.07.2017) 93.98 lakhs (which includes PL encashment and Gratuity), contractual, BCOM, ACA,CWA 24 years of experies, 51 years, Crosland Research Lab. Ltd., Nil No.

ix. Details of the employees employed for the full year or part of the year was receipt of remuneration in that year which in the aggregate or as the case may be at a rate which in the aggregate, is in excess of that drawn by the managing director or whole time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company: None

6. **Disclosure required pursuant to Regulation 14 of SEBI (share based employee benefits) Regulations, 2014:**

Note: this entire information is also available on the website of the company www.mafatlals.com under “financial & disclosures” section as a part of this 104th annual report.

Disclosures by the Board of Directors

The board of directors confirms that there is no change made in the Mafatlal Employee Stock Option Scheme 2017 since approved last year.

A. Relevant disclosures in terms of the ‘Guidance note on accounting for employee share-based payments’ issued by ICAI or any other relevant accounting standards as prescribed from time to time.

Please refer to Note No.37 under Notes to Accounts in financial statement.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with ‘Accounting Standard 20 - Earnings Per Share’ issued by ICAI or any other relevant accounting standards as prescribed from time to time.

Please refer to Note No.37 under Notes to Accounts in financial statement.

C. Details related to ESOS

(i) A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS etc:-

The Board of Directors of the Company has, as per the recommendation of Nomination & Remuneration Committee (NRC)approved “Mafatlal Employees Stock Option Plan 2017. The shareholders of the Company at 103rd Annual General Meeting held on 2nd August, 2017 consented for creation of 6,95,000 options employee stock option pool under Mafatlal Employee Stock Option Plan, 2017 by way of special resolution. Thereafter the NRC has at their meeting held on 10th November, 2017 approved the grant, of 1,38,000 options to certain senior management employees. Due to resignation of one option grantee 10,000 options have lapsed as at 31st March, 2018.

The employee stock option granted will entitle the holder for one equity share of the Company having face value of ₹10/- at an exercise price of ₹ 322.70/- per share (being the closing price of the equity shares of the Company at BSE Limited on 9th November, 2017)

The Exercise period would commence from the date of vesting and will expire on completion of 4 (four) years from the date of respective vesting.

The other disclosures are as follows:

(a) Date of shareholders’ approval: 2nd August, 2017

(b) Total number of options approved under ESOS: 6,95,000

(c) Vesting requirements:

The grant of 138,000 options has been approved with progressive vesting of 15%, 20%,30% & 35% on every anniversary of the vesting. i.e. out of total 138,000 options granted, 20,700 will vest on 10th November, 2018, 27,600 options will vest on 10th November, 2019, 41,400 options will vest on 10th November, 2020 and 48,300 options will vest on 10th November, 2021.

(d) Exercise price or pricing formula : ₹322.70/- per option

(e) Maximum term of options granted: 5 years (1 year vesting & 4 year exercise period)

(f) Source of shares (primary, secondary or combination): Primary

(g) Variation in terms of options : NONE

(ii) Method used to account for ESOS - Intrinsic or fair value. : Fair Value

(iii) Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.

Please refer to Note No.37 under Notes to Accounts in financial statement.

(iv) Option movement during the year 2017-18 (For Each ESOS):

Particulars	Details
Number of options outstanding at the beginning of the period	NIL
Number of options granted during the year	1,38,000
Number of options forfeited/lapsed during the year	10,000
Number of options vested during the year	NIL
Number of options exercised during the year	NIL
Number of shares arising as a result of exercise of options	NIL
Money realized by exercise of options (INR), if scheme is implemented directly by the Company	NA
Loan repaid by the Trust during the year from exercise price reserved	NA
Number of options outstanding at the end of the year	128,000
Number of options exercisable at the end of the period	Nil

(v) Weighted average exercise price and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than market price of the stock:

Please refer to Note No.37 under Notes to Accounts in financial statement.

(vi) Employee wise details of options granted to :

(a) Senior management (name & number of options granted) :

Shri Aniruddha Deshmukh 18000, Shri Milan Shah 14000, Shri Suketu Shah 14000, Shri Vijay Maheshwari 14000, Shri M B Raghunath 14000, Shri Suresh Kumar 14000, Smt. Shereen Gupta 10000, Shri Ashok Ramdham 10000, Shri Anil Gupta 10000 (lapsed), Shri Dilip Dhabe 10000, Shri Sachin Karwa 10000.

(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of the option granted during that year;

None

(c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant:

None

(vii) a description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

Fair value of options may be calculated using the Black- Scholes Options Pricing Model or any other binomial model. Since the Black-Scholes model has been widely used globally for valuing employee stock options, we have used the same model for the purpose of our calculations.

The Black-Scholes model requires the consideration of certain variables such as volatility, risk free rate, expected dividend yield, expected option life, market price and exercise price for the calculation of Fair Value of the option. These variables significantly influence the Fair Value and any change in these variables could significantly affect the Fair Value of the option.

The variables that influence the Fair value of the option and the impact of changes in those underlying variables on the option value are presented below.

Underlying Variable	Change in Variable	Change in Option Value
Exercise Price	Increases	Decreases
Market Price	Increases	Increases
Current Expected dividend yield	Increases	Decreases
Risk-free rate of return	Increases	Increases
Expected option Life*	Increases	Increases
Volatility of the stock	Increases	Increases

* Expected option life as distinguished from the maximum option life

2. Fair Value Computation

Fair value of the Options granted by the Company on November 10, 2017 is given below:

	Grant Date: 10-Nov-2017			
	Vest 1 10-Nov-18	Vest 2 10-Nov-19	Vest 3 10-Nov-20	Vest 4 10-Nov-21
Variables	30%	30%	30%	20%
Stock Price	314.10	314.10	314.10	314.10
Volatility	48.32%	49.23%	52.50%	51.99%
Riskfree Rate	6.51%	6.66%	6.80%	6.91%
Exercise Price	322.70	322.70	322.70	322.70
Time To Maturity	3.00	4.00	5.00	6.00
Dividend yield	1.69%	1.69%	1.69%	1.69%
Option Fair Value	108.92	126.71	146.18	156.18
Weighted Avg. Option Fair Value				145.78

Table 2: Fair Value of Options granted

The Fair values of the options granted during the year have been calculated using Black-scholes Option Pricing Model.

3. Rationale for the variables used

The variables used for calculating the Fair value and their rationale are as follows:

A. Stock price

The fair value of the underlying stock based on the latest available closing Market Price on BSE has been considered for valuing the grant.

B. Volatility

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure of volatility is used in the Black Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.

The period to be considered for volatility has to be adequate to represent a consistent trend in the price movements. It is also important that movement due to abnormal events get evened out. There is no research that demonstrates conclusively how long the historical period used to estimate expected long-term future volatility should be. However, informal tests and preliminary research tends to confirm that estimates of expected future long-term volatility. should be based on historical volatility for a period that approximates the expected life of the options being valued.

Volatility has been calculated based on the historical trading data of the company.

The Fair Value of an option is very sensitive to this variable. Higher the volatility, higher is the Fair Value. The rationale being, more volatile the stock is, the more is its potential to go up (or come down), and the more is the probability to gain from the movement in the price. Accordingly, an option to buy a highly volatile stock is more valuable than the one to buy a less volatile stock, for the probability of gaining is lesser in the latter case.

C. Risk-free interest rate

The risk-free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.

D. Exercise Price

The Exercise Price ₹ 322.70/- per share (being the closing market price of the equity share of the Company at BSE Limited on 9th November, 2017 previous day of the date of grant of option).

E. Time to Maturity / Expected Life of the Options

Time to Maturity / Expected Life of the options is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised, and the maximum life of the option is the maximum period after which the options cannot be exercised.

In case of grant made on November 10, 2017, the earliest date of exercise is November 10, 2018 i.e. one year from the date of grant and those options can be exercised during the period of 4 years from the date of Vesting, i.e. till November 10, 2022. Hence, the minimum option life is 1 year, and the maximum option life is 5 years. The average life is the arithmetic average of the two extremes – the minimum life and the maximum life, i.e. (1+5)/2 = 3 years. Time to Maturity has been estimated on a similar basis for the remaining vesting tranches.

F. Expected Dividend Yield

The Expected dividend yield has been calculated using the historical data for the purpose of this valuation.

Particulars	2016-17	2015-16	2014-15	2013-14
Dividend per share	2	3	3	3
Average Fair value per share	302.82	233.98	150.41	106.94
Dividend Yield	1%	1%	2%	3%
Average Dividend Yield	1.69%			

(a) The weighted average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk free interest rate and any other inputs to the model :

As mentioned hereinabove.

(b) The method used and assumptions made to incorporate the affects of expected early exercise :

As mentioned hereinabove.

(c) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility and

As mentioned hereinabove.

(d) Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as market condition.

As mentioned hereinabove.

7. CSR REPORT 2017-18:

A. Brief outline of CSR Policy:

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013. The CSR Policy, inter-alia, covers the concept (CSR philosophy, activities undertaken by the group, scope and applicability, resources, identification and approval process, implementation and monitoring etc.) and the same is available on the web link https://www.mafatlals.com/wp-content/uploads/2017/08/corporate_social_responsibility_policy.pdf.

B. Composition of CSR Committee:

The CSR Committee of the Board of Directors presently consists of three directors viz. Shri H. A. Mafatlal (Chairman), Shri Sujal Shah and Shri A. K. Srivastava (other Members), wherein Shri Sujal Shah is an Independent Director. The composition of the Committee conforms to the statutory requirement.

C. Calculation of CSR Obligation for 2017-18 based on the Average Profit of the Company for last three financial years :

Year	*Net Profit for the purpose of CSR Obligation (Amt. ₹in Lacs)
2016-17	(2005.19)
2015-16	1555.21
2014-15	87.67
A. Total Net Profit for three years (A)	(362.31)
B. Average Net Profit (A/3)	(120.77)
C. 2% of average Net Profits (to be spent on CSR) in 2017-18	NIL/NA

*Net Profit is calculated as per the provisions of Section 198 read with Section 135 of the Companies Act, 2013 ("Net Profit as per Rule 2(f) of Companies (CSR Policy) Rules, 2014 excluding dividends from companies to which CSR provisions are applicable and they are complying with the CSR requirements). Accordingly, the dividends received from NOCIL Ltd and Navin Fluorine International Limited have been excluded in calculation of profits for 2017-18. Hence, there was NIL CSR obligation for the year 2017-18.

i. Manner in which the amount spent during the financial year 2017-18:

Since there was NIL CSR Obligation, no expenses were incurred on CSR activities during 2017-18.

ii. The Company has Nil CSR obligation for the year 2017-18

iii. Responsibility Statement of CSR Committee:

This is to certify that the implementation and monitoring of CSR Policy is in compliance with the CSR Objectives as well the Policy of the Company.

H. A. Mafatlal
Chairman of CSR Committee
(DIN 00009872)

Aniruddha P. Deshmukh
Managing Director & CEO
(DIN 01389267)

Place: Mumbai
Date: 3rd May, 2018

Regd. Office:

Mafatlal Industries Limited (CIN L17110GJ1913PLC000035) 301-302, Heritage Horizon, 3rd Floor, Off: C G Road, Navrangpura, Ahmedabad 380009.Tel: 079 – 26444404-06 Fax: 079 26444403, Email: ahmedabad@mafatlals.com Website: www.mafatlals.com

Annexure IV to Directors' Report

SECRETARIAL AUDIT REPORT

FOR THE FINANICAL YEAR ENDED ON 31ST MARCH, 2018 (Form MR3)

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Mafatlal Industries Limited,
301-302, Heritage Horizon,
Third Floor, Off. C. G. Road,
Navrangpura, Ahmedabad - 380009

Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mafatlal Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during the Audit Period)

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period)'and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period)

(vi) We have relied on the representation made by the Company, its Officers and on the reports given by designated professionals for systems and processes formed by the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations to the Company.

The list of major head / groups of Acts, Laws and Regulations as applicable to the Company is as under:

1. Explosives Act, 1884
2. Essential Commodities Act, 1955
3. Textile Committee Act, 1963
4. Textile (Development & Regulation) Order, 2001.
5. Textile (Consumer Protection) Regulations, 1988
6. Electricity Act, 2003
7. Public Liability Insurance Act, 1991
8. Information Technology Act, 2000

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Stock Exchanges read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further Report that, during the audit we observed:

that certain Forms under Companies Act, 2013 were filed late with additional fees. The Company had undergone adjudication and compounding under the companies Act 1956/2013 with respect to the show cause notices issued by RD/ROC and requisite amounts were paid by the Company and concerned directors/officers with respective authority and the compliance forms were filed accordingly.

We further report that:

Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except in some instance wherein the shorter notice was consented by the Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions in the Board is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the shareholder's approval was granted by way of Special Resolution at Annual General Meeting held on 02nd August, 2017 in respect of implement Mafatlal Stock option Scheme, 2017 ("ESOS 2017") for permanent employees including Directors of the Company. A total number of options 6,95,000 exercisable into 6,95,000 Equity shares would be available for being granted to eligible employees of the company under ESOS 2017. Each option when exercised would be converted into one equity share of ₹ 10/- each fully paid-up.

Umesh Ved
Umesh Ved & Associates
Company Secretaries
Place: Ahmedabad FCS No.: 4411
Date : 3rd May, 2018 C.P. No.: 2924

To,

The Members,
Mafatlal Industries Limited,
301-302, Heritage Horizon,
Third Floor, Off. C. G. Road,
Navrangpura, Ahmedabad - 380009

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Umesh Ved
Umesh Ved & Associates
Company Secretaries
Place: Ahmedabad FCS No.: 4411
Date : 3rd May, 2018 C.P. No.: 2924

Annexure to Corporate Governance Report of Mafatlal Industries Limited

Declaration regarding Affirmation of Code of Conduct

In terms of the requirements of Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 this is to confirm that all members of the Board and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2018.

For and on behalf of the Board

Aniruddha P Deshmukh
Managing Director & CEO
(DIN: 01389267)

Place: Mumbai
Date: 3rd May, 2018

For and on behalf of the Board

Hrishikesh A Mafatlal
Executive Chairman
(DIN: 00009872)

Place: Mumbai
Date: 3rd May, 2018

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of Mafatlal Industries Limited

We have examined the compliance of conditions of Corporate Governance by Mafatlal Industries Limited, for the year ended March 31, 2018 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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 and on behalf of
Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Priyanshu Gundana
Partner
Membership No: 109553

Place: Mumbai
Date: May 3, 2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF Mafatlal Industries Limited

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of Mafatlal Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. 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 Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 March 31, 2018, and its total comprehensive income (comprising of loss and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory standalone financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide reports dated May 5, 2017 and May 2, 2016

respectively. The adjustments to those standalone financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our report is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. 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 it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

    (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

        (i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – Refer Note 42 and 49;

        (ii) The Company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Company did not have any long term derivative contracts as at March 31, 2018.

        (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

        (iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N-500016

Priyanshu Gundana
Partner
Membership Number: 109553

Mumbai
Date: May 3, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Mafatlal Industries Limited on the standalone Ind AS financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Mafatlal Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N-500016

Priyanshu Gundana
Partner
Membership Number: 109553

Mumbai
Date: May 3, 2018

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Mafatlal Industries Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2018

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

   (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

   (c) The title deeds of immovable properties, other than self constructed properties, as disclosed in Note 3 and 4 on Property Plant and Equipment and Investment Properties respectively, to the standalone Ind AS financial statements, are held in the name of the Company, except for a lease hold land of gross and net book value of Rs. 0.08 Lakhs, where the Company is in process of getting expired lease term renewed.

2. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

3. During the year the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

4. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

5. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

6. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of interest on employees' state insurance and duty of excise which has not been deposited with appropriate authorities, the Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, value added tax, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2018, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs.in lakhs)	Period to which the amount relates	Due date	Date of Payment
Employees' State Insurance Act, 1948	Interest on ESIC	40.85	2000-2007 and April 2008 to May 2010	2000 to 2007 and 2008 to 2010	Not paid
Central Excise Act, 1944	Central Excise	3.44	April 1986 to October 1986, May 1995 to December 1995	1986 and 1995	Not paid

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount under dispute not yet deposited (Rs. In lakhs) #	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Central Excise	13.41	1998-2000,2002-03	Supreme Court
Central Excise Act, 1944	Central Excise	57.67	2003-04	High Court
Central Excise Act, 1944	Central Excise	196.72	1989-90 to 2003-04	Commissioner of Central Excise (Appeals)
Central Excise Act, 1944	Central Excise	8.11	1999-2000	Commissioner of Central Excise
Central Excise Act, 1944	Central Excise	2,820.83	1997-99, 2007-08 to 2009-10	Appellate Tribunal
Central Excise Act, 1944	Central Excise	1.41	2006-11	Assistant Commissioner of Central Excise
Customs Act, 1944	Customs Duty	4.79	1989-90 to 1999-2000	Joint Director General of Foreign Trade
Maharashtra Value Added Tax	Sales Tax	23.22	1989-90 to 1999-2000	Joint Commissioner of Sales Tax (Appeals) – II
Central Sales Tax Act, 1956	Sales Tax	0.92	1989-90 to 1999-2000	Joint Commissioner of Sales Tax (Appeals) – II
Finance Act, 1994	Service Tax	0.70	1997-99	Appellate Tribunal
Income Tax Act, 1961	Income Tax	481.49	Assessment Years 2003-04, 2004-05, 2006-07, 2007-08	Income tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	994.77	Assessment Years 1997-98, 2012-13 and 2015-16	Commissioner of Income Tax

Net of amounts paid under Protest

8. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government. The Company has not issued any debentures.

9. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

11. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

12. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

13. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

15. The Company has not entered into any non-cash transactions with its directors or persons connected with him as prescribed under section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N-500016

Priyanshu Gundana
Partner
Membership Number: 109553

Mumbai
Date: May 3, 2018

Standalone Balance Sheet as at March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

	Note	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	**29,096.01**	31,474.39	23,224.57
Capital work-in-progress		**657.64**	388.09	907.10
Investment properties	4	**258.59**	262.47	266.35
Intangible assets	5	**440.84**	62.07	68.69
Intangible assets under development		**-**	384.95	8.80
Investment in a subsidiary	6(a)	**27.50**	27.50	27.50
Financial assets				
(i) Investments	6(b)	**50,160.68**	24,809.33	14,122.35
(ii) Loans	7	**722.40**	1,080.54	514.25
(iii) Other financial assets	8	**1,835.93**	1,990.76	2,025.28
Deferred tax assets (Net)	35(d)	**1,227.96**	1,227.96	756.77
Other non-current assets	9	**482.04**	593.09	1,912.24
Income tax asset (Net)	35(g)	**1,770.86**	2,161.61	1,834.45
Total non-current assets		**86,680.45**	**64,462.76**	**45,668.35**
Current assets				
Inventories	10	**16,267.05**	17,208.55	14,488.25
Financial assets				
(i) Investments	11	**-**	3,603.42	-
(ii) Trade receivables	12	**28,617.73**	28,849.68	31,958.41
(iii) Cash and cash equivalents	13	**1,913.47**	978.28	574.31
(iv) Bank balances other than (iii) above	14	**1,644.65**	456.61	9,603.18
(v) Loans	15	**8.25**	13.07	11.42
(vi) Other financial assets	16	**328.01**	327.47	280.78
Other current assets	17	**3,685.22**	3,898.78	1,915.92
Total current assets		**52,464.38**	**55,335.86**	**58,832.27**
TOTAL ASSETS		**139,144.83**	**119,798.62**	**104,500.62**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	18(a)	**1,391.22**	1,391.22	1,391.22
Other equity	18(b)			
(i) Reserves and surplus		**34,020.81**	38,483.06	38,588.50
(ii) Other reserves		**44,428.43**	19,076.89	6,861.00
Total equity		**79,840.46**	**58,951.17**	**46,840.72**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	19	**8,033.53**	9,650.13	6,450.93
(ii) Other financial liabilities	20	**522.37**	356.08	358.91
Other non-current liabilities	21	**2,655.91**	3,162.71	2,035.87
Total non-current liabilities		**11,211.81**	**13,168.92**	**8,845.71**
Current liabilities				
Financial liabilities				
(i) Borrowings	22	**12,945.84**	11,745.43	14,985.46
(ii) Trade payables	23	**26,974.87**	25,255.90	26,451.05
(iii) Other financial liabilities	24	**3,206.40**	4,449.71	2,364.76
Provisions	25	**887.85**	839.92	746.30
Other current liabilities	26	**3,792.04**	4,659.29	3,512.62
Current tax liabilities (Net)	35(h)	**285.56**	728.28	754.00
Total current liabilities		**48,092.56**	**47,678.53**	**48,814.19**
Total liabilities		**59,304.37**	**60,847.45**	**57,659.90**
TOTAL EQUITY AND LIABILITIES		**139,144.83**	**119,798.62**	**104,500.62**

The accompanying notes are an integral part of these standalone financial statements.
In terms of our report attached.

For Price Waterhouse Chartered Accountants LLP
Registration No.012754N / N500016

Priyanshu Gundana
Partner
Membership No. 109553

Mumbai, May 3, 2018

For and on behalf of the Board of Directors

H. A. Mafatlal
Chairman
(DIN:00009872)

P. H. Mafatlal
Executive Director
(DIN:02433237)

Aniruddha Deshmukh
Managing Director &
Chief Executive Officer
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S. A. Shah (DIN:00058019)
L. P. Pradhan (DIN:07118801)

Ashish A. Karanji
Company Secretary

Milan Shah
Chief Financial Officer

Mumbai, May 3, 2018

Standalone Statement of Profit and Loss for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	27	**116,760.04**	123,885.23
Other income	28 (a)	**2,619.73**	2,700.39
Other gains / (Losses)	28 (b)	**669.86**	2,092.58
Total income		**120,049.63**	**128,678.20**
Expenses			
Cost of materials consumed	29	**39,172.50**	37,752.79
Purchases of stock-in-trade		**38,290.98**	47,893.69
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	**1,081.54**	(2,662.28)
Employee benefit expenses	31	**13,457.62**	12,755.84
Net finance costs	32	**3,108.54**	2,658.40
Depreciation and amortisation expense	33	**3,610.59**	3,237.67
Other expenses	34	**25,522.68**	26,625.58
Total expenses		**124,244.45**	**128,261.69**
(Loss) / Profit before exceptional items and tax		**(4,194.82)**	**416.51**
Exceptional items	34(c)	**-**	(467.15)
Loss before tax		**(4,194.82)**	**(50.64)**
Income tax expense			
- Current tax	35(a)	**-**	-
- Deferred tax charge / (credit)	35(a)	**(17.00)**	(463.04)
Total tax credit		**(17.00)**	**(463.04)**
(Loss) / Profit for the year		**(4,177.82)**	**412.40**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Changes in fair value of FVOCI equity instruments	18(b)	**25,351.54**	12,215.89
- Remeasurements of post-employment benefit obligations charge / (credit) [Net of tax]	40	**32.54**	(15.48)
Other Comprehensive Income for the year		**25,384.08**	**12,200.41**
Total comprehensive income for the year		**21,206.26**	**12,612.81**
(Loss) / Earnings per equity share of ₹ 10/- each	45		
Basic		**(30.03)**	2.96
Diluted		**(30.03)**	2.96

The accompanying notes are an integral part of these standalone financial statements.

In terms of our report attached.
For Price Waterhouse Chartered Accountants LLP
Registration No.012754N / N500016

Priyanshu Gundana
Partner
Membership No. 109553

Mumbai, May 3, 2018

For and on behalf of the Board of Directors

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L. P. Pradhan (DIN:07118801)

Ashish A. Karanji
Company Secretary

Milan Shah
Chief Financial Officer

Mumbai, May 3, 2018

Standalone Cashflow Statement for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

		Year ended March 31, 2018	Year ended March 31, 2017
A.	**Cash flow from operating activities**		
	Net (Loss) after exceptional items and before tax as per the Statement of Profit and Loss	**(4,194.82)**	(50.64)
	Adjustments for:		
	ESOP expense	**17.93**	-
	Depreciation / amoritsation on property plant and equipment, investment property, intangible asset	**3,610.59**	3,237.67
	Finance costs	**3,108.54**	2,658.40
	Gain on sale of Property Plant and Equipment	**(715.56)**	(119.30)
	Interest Income	**(168.66)**	(295.49)
	Interest on income tax refund	**(21.56)**	(36.54)
	Apportionment of government grant	**(511.06)**	(592.33)
	Dividend income	**(491.22)**	(326.99)
	Rental Income on Investment Properties	**(483.26)**	(477.04)
	Utility / business service / air-conditioning charges and other receipts in respect of investment property	**(829.83)**	(749.52)
	Bad trade and other receivables/ Loans and advances written off (net)	**176.41**	55.24
	Provision for doubtful debts/ advances	**38.02**	69.52
	Net unrealised exchange loss /(gain)	**71.82**	(43.12)
	Gain on sale of Investments	**189.48**	(1,980.45)
	Operating profit before working capital changes	**(203.18)**	**1,349.41**
	Changes in working capital		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	**941.50**	(2,720.30)
	Trade receivables	**122.11**	3,082.33
	Short term Loans and advances	**4.82**	(1.73)
	Long term loans and advances	**358.14**	(566.29)
	Other Current Financial Assets	**(176.95)**	(101.93)
	Other Non Current Financial Assets	**73.33**	265.25
	Other Bank Balances	**(1,188.04)**	9,146.57
	Other Non Current Assets	**18.57**	(29.77)
	Other Current Assets	**213.56**	(1,982.86)
	Adjustments for increase / (decrease) in operating liabilities:		
	Other Non Current Financial Liabilities	**166.28**	(2.83)
	Other Non current Liabilities	**4.26**	638.55
	Trade and other payables	**1,718.97**	(1,195.15)
	Other Current Financial Liabilities (excluding current maturities of non current borrowings)	**(4.59)**	12.46
	Current Provisions	**97.47**	69.95
	Other Current Liabilities	**(867.25)**	1,146.67
	Changes in Working Capital	**1,482.18**	**7,760.92**
	Cash generated from Operations	**1,279.00**	**9,110.33**
	Net income tax (paid) / refunds	**(30.41)**	(316.34)
	Net Cash inflow from operating activities	**1,248.59**	**8,793.99**

Standalone Cashflow Statement for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

		Year ended March 31, 2018	Year ended March 31, 2017
B.	**Cash flow from investing activities**		
	Purchase of Property, Plant and Equipment including capital advances	**(1,252.70)**	(8,557.17)
	Proceeds from disposal of Property, Plant and Equipment	**733.64**	168.97
	Purchase of Intangible Assets including intangible under development	**(72.45)**	(404.81)
	Purchase of investments	**-**	(1,684.74)
	Sales Proceeds of investments	**3,414.12**	1,590.76
	Deposits Matured / (Placed) with banks	**81.49**	(230.72)
	Interest received	**168.66**	295.49
	Dividend income	**491.22**	326.99
	Rental Income on Investment Properties	**483.26**	477.04
	Utility / business service / air-conditioning charges and other receipts in respect of investment property	**829.83**	749.52
	Net cash inflow (outflow) from investing activities	**4,877.07**	**(7,268.67)**
C.	**Cash flow from financing activities**		
	Non current Borrowings taken	**718.23**	6,983.57
	Interest Paid	**(3,177.55)**	(2,615.15)
	Non current borrowings repaid	**(3,596.52)**	(1,755.41)
	Current borrowings taken / (repaid)	**1,200.41**	(3,240.04)
	Dividend Paid including Dividend distribution tax	**(335.04)**	(494.32)
	Net cash inflow (outflow) from financing activities	**(5,190.47)**	**(1,121.35)**
	Net Increase / (Decrease) in cash and cash equivalents	**935.19**	**403.97**
	Cash and cash equivalents at the beginning of the year	**978.28**	**574.31**
	Cash and cash equivalents at the end of the year	**1,913.47**	**978.28**

Notes:-

1) The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Ind. AS 7 " Statement of Cash Flows" as notified under Companies (Accounts) Rules, 2015.
2) The previous GAAP figures have been reclassfied to conform to Ind. AS presentation for the purpose of this note.

The accompanying notes are an integral part of these standalone financial statements.

In terms of our report attached.
For Price Waterhouse Chartered Accountants LLP
Registration No.012754N / N500016

Priyanshu Gundana
Partner
Membership No. 109553

Mumbai, May 3, 2018

For and on behalf of the Board of Directors

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Company Secretary

Milan Shah
Chief Financial Officer

Mumbai, May 3, 2018

Standalone Statement of Changes in Equity as at March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

A Equity share capital

Particulars	Amount
As at April 01, 2016	**1,391.22**
Changes in equity share capital	-
As at March 31, 2017	**1,391.22**
Changes in equity share capital	-
As at March 31, 2018	**1,391.22**

B. Other equity

Particulars	Attributable to owners of Mafatlal Industries Limited												Total
	Reserves and surplus											Other reserves	
	Securities premium reserve	Retained Earning	Capital reserve No.1	Capital reserve No. 2	Capital Reserve on Amalgamation	General Reserve	Capital redemption reserve	Capital Investment Reserve	Investment Reserve	ESOP Reserve	Export Profit Reserve	FVOCI - Equity instruments	
As at April 01, 2016	**17,452.07**	**8,304.91**	**61.16**	**35.00**	**3,634.48**	**620.00**	**8,383.14**	**75.96**	**1.78**	**-**	**20.00**	**6,861.00**	**45,449.50**
Profit for the year	-	412.40	-	-	-	-	-	-	-	-	-	-	412.40
Other comprehensive income	-	(15.48)	-	-	-	-	-	-	-	-	-	12,215.89	12,200.41
Dividend and Dividend distribution tax paid	-	(502.36)	-	-	-	-	-	-	-	-	-	-	(502.36)
As at March 31, 2017	**17,452.07**	**8,199.47**	**61.16**	**35.00**	**3,634.48**	**620.00**	**8,383.14**	**75.96**	**1.78**	**-**	**20.00**	**19,076.89**	**57,559.95**
Profit for the year	-	(4,177.82)	-	-	-	-	-	-	-	-	-	-	(4,177.82)
Charge for the year	-	-	-	-	-	-	-	-	-	17.93	-	-	17.93
Other comprehensive income	-	32.54	-	-	-	-	-	-	-	-	-	25,351.54	25,384.08
Dividend and Dividend distribution tax paid	-	(334.90)	-	-	-	-	-	-	-	-	-	-	(334.90)
As at March 31, 2018	**17,452.07**	**3,719.29**	**61.16**	**35.00**	**3,634.48**	**620.00**	**8,383.14**	**75.96**	**1.78**	**17.93**	**20.00**	**44,428.43**	**78,449.24**

In terms of our report attached.

For Price Waterhouse Chartered Accountants LLP
Registration No.012754N / N500016

Priyanshu Gundana
Partner
Membership No. 109553

Mumbai, May 3, 2018

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Notes forming part of the Standalone Financial Statements as at for the year ended March31, 2018

1. Background

Mafatlal Industries Limited (the "Company") is a public limited Company incorporated under the provisions of the Companies Act, 1956. The shares are listed on the Mumbai Stock Exchange. 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 manufacturing units at Nadiad and Navsari.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of Preparation

i. Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition is 01 April 2016. Refer note 48 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

ii. Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair values;
- Defined benefit plans - plan assets measured at fair value, and
- Share-based payments

iii. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 01, 2018:

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115, is effective for periods beginning on or after April 01, 2018. Ind AS 115 sets out the requirements for recognising revenue that apply to all contracts with customers (except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments). Ind AS 115 replaces the previous revenue Standards: Ind AS 18 Revenue and Ind AS 11 Construction Contracts, and the related appendices.

The standard establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise. Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The core principle in that framework is that a Company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the fair value of consideration to which the Company expects to be entitled in exchange for those goods or services.

Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Company is evaluating the impact of the standard on the financial position and results of operations. As per the transitional provision of the standard, the Company shall apply this Standard using one of the following two methods:

(a) Retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The standard is applied retrospectively only to contracts that are not completed contracts at the date of initial application;

(b) Retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application.

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. Company is evaluating the impact of this amendment on its financial statements.

There are no other standards, changes in standards and interpretations that are not in force up to reporting period that the Company expects to have a material impact arising from its application in its financial statements.

b. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM consists of Chairman, CEO & MD and Executive Director who are responsible for allocating resources and assessing performance of the operating segments. The Company operates only in one Business Segment i.e. textile business segment, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

c. Foreign Currency Transactions

i. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the functional and presentation currency of the Company.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

d. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivables. Amounts disclosed as revenue is net of returns, trade allowances, rebates, discounts, value added taxes, goods and services tax and amount collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company, there is no continuing managerial involvement with the goods and specific criteria have been met for each of the activities described below.

Timing of recognition

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract. This generally happens upon dispatch of the goods to customers, except for export sales which are recognised when significant risk and rewards are transferred to the buyer as per the terms of contract.

Revenue from services is recognised in the accounting period in which the services are rendered.

Measurement of revenue

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government which are levied on sales such as sales tax, value added tax, goods and services tax, etc. Discounts given include rebates, price reductions and other incentives given to customers. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases. No element of financing is deemed present as sales are made with a credit term which is consistent with market practice.

e. Income tax

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as tax expense in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Balance Sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit / (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised statement of Profit or Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

f. Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to the purchase of Property, Plant and Equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit and Loss in proportion to depreciation over the expected lives of the related assets and presented within Other Income.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within Other Income.

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

g. <u>Leases</u>

As a lessee

Finance lease

Leases of Property, Plant and Equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate expected inflationary cost increases for the lessor.

As a lessor

Finance Lease

Leases of Property, Plant and Equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually. Lease rental attributable to the operating lease are charged to Statement of Profit and Loss as lease income whereas lease income attributable to finance lease is recognised as finance lease receivable and recognised on the basis of effective interest rate.

Operating Lease

Lease income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

Operating Lease Income

Rental income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

h. Property, plant and equipment:

Freehold land is carried at historical cost. All other items of Property, Plant and Equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss within other gains/(losses).

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as ‘Capital work-in-progress’.

Depreciation methods, estimated useful lives and residual value:

Depreciation is provided on the straight-line method to allocate the cost of assets, net of their residual values, over their estimated useful lives.

Depreciation is calculated on a pro-rata basis from the date of acquisition / installation till the date the assets are sold or disposed of:

Asset category	Estimated useful life
Building	30 years
Plant and Machinery	9.5 years
Furniture and Fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Leasehold Improvements	9 years

Land accounted under finance lease is amortised on a straight-line basis over the period of lease.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

The estimated useful life and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

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

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as at April 01, 2016 measured under IGAAP as the deemed cost of the Property, Plant and Equipment.

i. Intangible assets

Computer software includes enterprise resource planning project and other cost relating to such software which provides significant future economic benefits. These costs comprise of license fees and cost of system integration services.

Computer software cost is amortised over a period of 3 years using straight-line method.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss within other gains/(losses).

The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Research and development:

Research expenditure and development expenditure that do not meet the capitalization criteria as mentioned above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of Intangible Assets recognised as at April 01, 2016 measured under IGAAP as the deemed cost of Intangible Assets.

j. Investment properties:

Land and building that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Company, is classified as Investment Property. Land held for a currently undetermined future use is also classified as an Investment Property. Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an Investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives which is determined based on technical evaluation performed by the management's expert.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Investment Property recognised as at April 01, 2016 measured under IGAAP as the deemed cost of Investment Property.

k. Impairment of assets:

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal / external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

l. Cash and cash equivalents:

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (3 months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

m. Trade receivables:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method, less provision for impairment.

n. Trade payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

o. Inventories

Raw materials, packing materials, purchased finished goods, work-in-progress, manufactured finished goods, fuel, stores and spares other than specific spares for machinery are valued at cost or net realisable value whichever is lower.

Items of inventory are valued at cost or net realizable value, whichever is lower after providing for obsolescence and other losses, where considered necessary. Cost is determined on the following basis:

- Stores, spares, raw materials and trading goods - Weighted average cost
- Process stock and finished goods - Material cost plus appropriate value of overheads
- Others (land) - At cost on conversion to stock-in-trade plus cost of improvement

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition.

Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company. Items such as spare parts, stand-by equipment and servicing equipment which is not plant and machinery gets classified as inventory.

p. <u>Investments and other financial assets</u>

i. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the business model of the entity for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election (on an instrument-by-instrument basis) at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii. Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

iii. Subsequent measurement

After initial recognition, financial assets are measured at:

- Fair value {through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)} or,
- Amortised cost

Debt instruments

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are 3 measurement categories into which the Company classifies its debt instruments:

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at fair value through Other Comprehensive Income (OCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain / (loss) previously recognised in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

Measured at fair value through profit or loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

Equity instruments:

The Company subsequently measures all investments in equity instruments other than subsidiary Company, associate Company and Joint Venture Company at fair value. The Management of the Company has elected to present fair value gains and losses on such equity investments in either Other Comprehensive Income or profit & loss. There is no subsequent reclassification of fair value gains and losses to the Statement of profit and loss where FVOCI option is chosen. Dividends from such investments continue to be recognised in the Statement of Profit and Loss as Other income when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Investments in subsidiary Company, associate Company and Joint Venture Company:

Investments in subsidiary Company is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies, associate Company and Joint Venture Company, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Fair Value hierarchy

The judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements in the note 36. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows:-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

iv. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments (Eg. trade receivables, other contractual rights to receive cash or other financial asset). The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Note 38 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

v. Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

vi. Income recognition:

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

q. <u>Financial liabilities and equity instruments</u>

i. Classification as debt or equity

Debt and equity instruments issued by the entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

ii. Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii. Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

iv. Derecognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

r. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

s. Derivative instruments

The Company holds derivative financial instruments such as foreign exchange forward and commodity futures to mitigate the risk of changes in exchange rates on foreign currency exposures and changes in prices of raw materials. The counterparty for these contracts is generally a bank.

Derivative financial assets or liabilities are not designated as hedges. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Statement of Profit and Loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in Other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are expected to be realised within 12 months after the Balance Sheet date.

t. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as Other income / (expense).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

u. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

v. Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each reporting period and reflect the best current estimate.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

w. Employee benefits

i. *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. *Other Long-term employee benefits*

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

iii. Post-employment obligations

Defined Benefits plan

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Balance Sheet is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability so provided is paid to trusts administered by the Company, which in turn invests in eligible securities to meet the liability as and when it accrues for payment in future. Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability with a corresponding charge to the Additional Statement of Profit and Loss. For other employees, the Company Makes Contribution for certain employees where as for same other employees the Company makes contribution to a trust maintaned by Life Insurance Corporation ('LIC') of India.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Provident fund contributions are made to a trust administered by the Company in India. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund balance maintained by the Trust set up by the Company is additionally provided. Actuarial losses and gains are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

Defined contribution plan

The Company contributes towards Employees State Insurance Scheme, Provident Fund, Family Pension Fund and Superannuation Fund which are defined contribution schemes.

The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

iv. *Share based payments*

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

x. *Earnings per share*

i. *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii. *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

y. *Cash flow statement*

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

z. 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.

aa. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.1 Critical estimates and judgements

Preparation of the Financial Statements requires use of accounting estimates which, by definition, will seldom equal the actual results. This Note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas involving critical estimates or judgements are:

a. Estimation of useful life of Property, plant and equipment: Note 1 (h)

b. Estimation of defined benefit obligation: Note 40

c. Estimation of fair value of level 3 financial instruments - Note 36

d. Contingent Liabilities - Note 42

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 3 - Property, plant and equipment

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Leasehold improvements	Railway sidings	Total
Year ended March 31, 2017									
Gross carrying amount									
Deemed Cost as at April 1, 2016	13.86	2,642.34	19,422.84	529.95	311.09	155.36	149.00	0.13	23,224.57
Additions	-	281.13	11,087.27	48.63	14.29	66.68	-	-	11,498.00
Disposals	-	-	(31.18)	(2.09)	(36.81)	(6.95)	-	-	(77.03)
Closing gross carrying amount	**13.86**	**2,923.47**	**30,478.93**	**576.49**	**288.57**	**215.09**	**149.00**	**0.13**	**34,645.54**
Accumulated depreciation									
Depreciation charged during the year	-	102.44	2,885.55	63.29	51.58	65.39	30.26	-	3,198.51
Disposals	-	-	(15.40)	(0.05)	(11.88)	(0.03)	-	-	(27.36)
Closing accumulated depreciation	**-**	**102.44**	**2,870.15**	**63.24**	**39.70**	**65.36**	**30.26**	**-**	**3,171.15**
Net carrying amount	**13.86**	**2,821.03**	**27,608.78**	**513.25**	**248.87**	**149.73**	**118.74**	**0.13**	**31,474.39**
Capital Work in Progress									**388.09**
Total									**31,862.48**
Particulars									
Year ended March 31, 2018									
Gross carrying amount	13.86	2,923.47	30,478.93	576.49	288.57	215.09	149.00	0.13	34,645.54
Additions	32.50	94.66	631.98	40.61	55.08	312.95	-	-	1,167.78
Disposals	(0.03)	(0.02)	-	-	(20.56)	(1.56)	-	-	(22.17)
Closing gross carrying amount	**46.33**	**3,018.11**	**31,110.91**	**617.10**	**323.09**	**526.48**	**149.00**	**0.13**	**35,791.15**
Accumulated depreciation									
Opening accumulated depreciation	-	102.44	2,870.15	63.24	39.70	65.36	30.26	-	3,171.15
Depreciation charged during the year	-	109.12	3,181.26	52.43	51.79	103.22	30.26	-	3,528.08
Disposals	-	-	-	-	(4.01)	(0.08)	-	-	(4.09)
Closing accumulated depreciation	**-**	**211.56**	**6,051.41**	**115.67**	**87.48**	**168.50**	**60.52**	**-**	**6,695.14**
Net carrying amount	**46.33**	**2,806.55**	**25,059.50**	**501.43**	**235.61**	**357.98**	**88.48**	**0.13**	**29,096.01**
Capital Work in Progress									**657.64**
Total									**29,753.65**

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Notes:

(i) Capital work-in-progress ₹ 657.64 lakhs (March 31, 2017- ₹ 388.09 lakhs) includes other expenses of ₹5.65 lakhs (March 31, 2017 - ₹44.44 lakhs) incurred towards capital projects.

(ii) Refer to Note 47 for information on property, plant and equipment pledged as security by the Company.

(iii) Refer to Note 43(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv) Building includes ₹ 12.86 lakhs (As at April 01, 2016: ₹ 12.86 lakhs and as at March 31, 2017: ₹ 12.86 lakhs) being the cost of ownership premises in a co-operative society, including cost of shares received for the face value of ₹ 2,500/- under the bye laws of the society.

(v) Refer Note 21, Note 26 and Note 46 for Government grant related to property, plant and equipment.

(vi) Bifurcation of closing net carrying value of property, plant and equipment as at April 01, 2016

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Leasehold improvements	Railway sidings	Total
As at April 01, 2016									
Gross carrying amount	13.86	4,947.26	48,694.10	808.85	462.13	781.19	256.82	2.70	55,966.91
Less: Accumulated depreciation	-	(2,304.92)	(29,271.26)	(278.90)	(151.04)	(625.83)	(107.82)	(2.57)	(32,742.34)
Net carrying amount	**13.86**	**2,642.34**	**19,422.84**	**529.95**	**311.09**	**155.36**	**149.00**	**0.13**	**23,224.57**

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 4 - Investment Property

Particulars	As at March 31, 2018	As at March 31, 2017
Gross carrying amount		
Opening deemed cost / Gross carrying amount	266.35	266.35
Additions	-	-
Closing gross carrying amount	**266.35**	**266.35**
Accumulated depreciation		
Opening accumulated depreciation	3.88	-
Depreciation charged during the year	3.88	3.88
Closing accumulated depreciation	**7.76**	**3.88**
Net carrying amount	**258.59**	**262.47**

(i) Bifurcation of closing net carrying value of investment property as at April 01, 2016

Particulars	As at April 01, 2016
Gross carrying amount	372.80
Less: Accumulated depreciation	(106.45)
Net carrying amount	**266.35**

(ii) The investment property consists of freehold land, building and leasehold land.

(iii) Amounts recognised in the Statement of Profit and Loss for investment properties

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Income from investment property [Refer note 28 (a)]	1,313.09	1,226.56
Direct operating expenses towards income from investment property that generated income	(951.36)	(912.65)
Profit from investment properties before depreciation	**361.73**	313.91
Depreciation	(3.88)	(3.88)
Profit from investment properties	**357.85**	310.03

(iv) *Leasing arrangements*

a) *Operating Leases*

The Company has given certain investment properties on operating lease. These lease arrangements range for a period between eleven to sixty months and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Within one year	181.44	514.85	444.52
Later than one year but not later than five years	14.48	1,027.23	1,242.43
Total	**195.92**	**1,542.08**	**1,686.95**

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

b) Finance leases

Investment property includes a land portion taken on lease by the Company for a period ranging form 80 to 99 years with an option to extend the lease by another 99 years on expiry of lease. However, the Company has no specific obligation towards renewal of land. The Company has considered that such a lease of land transfers substantially all of the risks and rewards incidental to ownership of land, and has thus accounted for the same as finance lease.

(v) *Fair value of investment properties*

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Investment properties	**12,795.40**	12,059.02	11,178.08

Estimation of fair value

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, rental growth rates, expected vacancy rates, terminal yields and discount rates. All resulting fair value estimates for investment properties are included in level 3. The Company obtains independent valuations for its investment properties annually.

(vi) The Company is in the process of getting expired leases renewed.

Note 5 - Intangible assets

Computer software	**As at March 31, 2018**	As at March 31, 2017
Gross carrying amount		
Opening deemed cost / Gross carrying amount	**97.35**	68.69
Additions	**457.40**	28.66
Closing gross carrying amount	**554.75**	**97.35**
Accumulated amortisation		
Opening accumulated amortisation	**35.28**	-
Amortisation during the year	**78.63**	35.28
Closing accumulated amortisation	**113.91**	**35.28**
Net carrying amount	**440.84**	**62.07**

The computer software are other than internally generated.

(i) *Intangible Assets under development*

Intangible assets under development includes Nil as at March 31, 2018, ₹ 384.95 lakhs as at March 31, 2017 and ₹ 8.80 lakhs as at April 01, 2016, towards development of accounting and human resource software.

(ii) Bifurcation of closing net carrying value of intangible asset as at April 01, 2016

Particulars	As at April 01, 2016
Gross carrying amount	146.94
Less: Accumulated amortisation	(78.25)
Net carrying amount	**68.69**

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 6 - Non-current investments

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(A)	**Investment in equity instruments (fully paid)**			
(a)	**Subsidiary - measured at cost**			
	Unquoted			
	272,800 (March 31, 2017 : 272,800, April 01, 2016 : 272,800) Equity shares of ₹100/- each of Mafatlal Services Limited	**27.50**	27.50	27.50
Total (I)		**27.50**	**27.50**	**27.50**
(b)	**Other Companies measured at FVOCI**			
	Quoted			
	79,920 (March 31, 2017 : 79,920, April 01, 2016 : 79,920) Equity shares of ₹ 10/- each of Stanrose Mafatlal Investments and Finance Limited	**119.88**	130.23	100.30
	837,000 (March 31, 2017 : 83,700, April 01, 2016 : 83,700) Equity shares current year ₹1/- each (March 31, 2017- ₹10/- each, April 1, 2016 - ₹ 10/- each) of Mangal Credit and Fincorp Limited	**31.31**	41.23	39.26
	9,600 (March 31, 2017 : 9,600, April 01, 2016 : 9,600) Equity shares of ₹2/- each of Ultramarine and Pigments Limited	**26.40**	17.70	10.44
	26,007,919 (March 31, 2017 : 26,007,919, April 01, 2016 : 23,036,469) Equity shares of ₹10/- each of NOCIL Limited $$	**49,766.15**	24,408.43	10,619.81
	20 (March 31, 2017 : 20, April 1, 2016 : 20) Equity shares of ₹1/- each of Integra Engineering India Limited	**0.01**	0.01	-
	100 (March 31, 2017 : 100, April 01, 2016 : 100) Equity shares of ₹10/- each of Bank of India	**0.10**	0.14	0.10
	Unquoted			
	45,000 (March 31, 2017 : 45,000, April 01, 2016 : 45,000) Equity shares of ₹10/- each of Cama Hotels Limited	@	@	@
	1,600 (March 31, 2017 : 1,600, April 01, 2016 : 1,600) Equity shares of ₹10/- each of Hybrid Financial Services Limited$**	@	@	@
	2 (March 31, 2017 : 2, April 01, 2016 : 2) Equity shares of ₹100/- each of Suremi Trading Private Limited	**18.34**	16.18	18.96
	2 (March 31, 2017 : 2, April 01, 2016 : 2) Equity shares of ₹100/- each of Mafatlal Impex Private Limited$**	**19.97**	18.53	7.34
	10,000 (March 31, 2017 : 10,000, April 01, 2016 : 10,000) Equity shares of ₹10/- each of Arvi Associates Private Limited $	**113.10**	111.27	75.31
	116 (March 31, 2017 : 116, April 01, 2016 : 116) Equity shares of ₹10/- each of Anil Bioplus Limited (formerly known as Anil Biochem Limited)	@	@	@
	1,240,000 (March 31, 2017 : 1,240,000, April 01, 2016 : 1,240,000) Equity shares of ₹10/- each of Mafatlal Global Apparel Limited	@	@	@
	13,350 (March 31, 2017 : 13,350, April 01, 2016 : 13,350) Equity shares of ₹10/- each of Matcon Export Enterprises Limited	@	@	@
	2,320 (March 31, 2017 : 2,320, April 01, 2016 : 2,320) Equity shares of ₹10/- each of Anil Limited (formerly known as Anil Products Limited)	@	@	@
	100 (March 31, 2017 : 100, April 01, 2016 : 100) Equity shares of ₹10/- each of Arlabs Limited	@	@	@
	15,000 (March 31, 2017 : 15,000, April 01, 2016 : 15,000) Equity shares of ₹10/- each of Cellulose Products of India Limited	@	@	@
	10 (March 31, 2017 : 10, April 01, 2016 : 10) Equity shares of ₹25/- each of Universal Dyestuff Industries Limited	@	@	@

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	5,870 (March 31, 2017 : 5,870, April 01, 2016 : 5,870) Equity shares of ₹100/- each of SLM Maneklal Industries Limited	@	@	@
	30,000 (March 31, 2017 : 30,000, April 01, 2016 : 30,000) Equity shares of ₹10/- each of Mafatlal Medical Devices Limited	@	@	@
	62,500 (March 31, 2017 : 62,500, April 01, 2016 : 34,050) Equity shares of ₹100/- each of Janata Sahakari Bank Limited####	**62.50**	62.50	34.05
	100 (March 31, 2017 : 100, April 01, 2016 : 100) Equity shares of ₹25/- each of Shamrao Vithal Co-Operative Bank Limited####	**0.03**	0.03	0.03
	5 (March 31, 2017 : 5, April 01, 2016 : 5) Shares of ₹ 50/- each of Sea-Face Park Co-op Housing Society Limited	@	@	@
	Unquoted			
	26,16,670 (March 31, 2017 : 26,16,670, April 01, 2016 : 26,16,670) Equity shares of ₹10/- each of Ibiza Industries Limited***	@	@	@
	39,76,002 (March 31, 2017 : 39,76,002, April 01,2016: 39,76,002) Equity shares of ₹10/- each of Sunanda Industries Limited*	@	@	@
	146,364 (March 31, 2017 : 146,364, April 01, 2016: 146,364) Equity shares of ₹100/- each of Mafatlal Engineering Industries Ltd ###	@	@	@
	147 (March 31, 2017 : 147, April 01, 2016 : 147) Equity shares of AED 1,000/- each of Al Fahim Mafatlal Textiles LLC	**-**	-	-
	23,700 (March 31, 2017 : 23,700, April 01, 2016 : 23,700) Equity shares of ₹ 10/- each of Mafatlal Ltd, UK##	@	@	@
(c)	**Other Companies measured at FVPL**			
	Quoted			
	Nil (March 31, 2017 : Nil, April 01, 2016 : 189,964) Equity shares of ₹10/- each of Navin Fluorine International Limited	**-**	-	3,213.72
	Unquoted			
	Nil (March 31, 2017 : 6,250, April 01, 2016 : 6,250) Equity shares of ₹ 100/- each of Navdeep Investment Private Limited$**	**-**	0.19	0.14
(B)	**Investments in Government securities**			
	Unquoted - At amortised cost			
	Government securities (Face value of ₹ 2.89 lakhs) have been lodged with various authorities	**2.89**	2.89	2.89
(C)	**Investment in debentures and bonds**			
	Unquoted - At amortised cost			
	165,000 (March 31, 2017 : 165,000, April 01, 2016 : 165,000) 10% Secured Redeemable Convertible Debentures of Mafatlal Engineering Industries Ltd ##	@	@	@
	2,050 (March 31, 2017 : 2,050, April 01, 2016 : 2,050) Corporate Bonds of Housing Development Finance Corporation Limited: 11 % - Series IV #	**-**	-	-
Total (II)		**50,160.68**	24,809.33	**14,122.35**
Total (I)+(II)		**50,188.18**	24,836.83	**14,149.85**
Total non-current investments				
Aggregate amount of quoted investments and market value thereof		49,943.85	24,597.75	13,983.63
Aggregate amount of unquoted investments		244.33	239.08	166.22
		50,188.18	**24,836.83**	**14,149.85**

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

$ Not held in the name of the Company since acquired on Amalgamation.

$$ 71,36,667 (Previous year 85,36,667) Equity Shares pledged with banks. Refer Note 47 for Assets pledged

* Subject to non disposal undertakings given to financial institutions. The Company is currently under liquidation. 400,000 Equity shares (Previous year 400,000 equity shares) were not available for verification.

** Not available for physical verification

*** 13,50,000 Equity Shares of Ibiza Industries Limited have been pledged for loans / deposit taken by the Company / other companies. Not available for physical verification / confirmation not available; currently under liquidation.

1,050 nos - Not available for physical verification.

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

66,667 Equity shares not available for physical verification; currently under liquidation.

The Company has investments in equity shares of Cooperative banks at face value, required as per the by-laws of these institutions in order to take borrowings from cooperative banks. The Investments are non transferable and will be bought back by Cooperative banks at face value upon termination of relationship. These investments are with dividend rights.

@ Amount is below the rounding off norm adopted by the Company.

Note 7 - Non-current loans

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Unsecured, Considered good			
Government Grants Receivable	**566.29**	743.80	177.51
Loans to related parties (Refer Note 41)	**-**	180.63	336.19
Others	**156.11**	156.11	0.55
Total	**722.40**	**1,080.54**	**514.25**
Refer Note 38 for information about credit risk and market risk for loans.			
Note :- Details of loan to related parties			
Private companies in which atleast one of the directors is a director or member :			
Mafatlal Impex Private Limited (upto August 19, 2016)	**-**	-	155.56
Suremi Trading Private Limited	**-**	84.76	84.76
Sukarma Investments Private Limited	**-**	95.87	95.87
Total	**-**	**180.63**	**336.19**

Note 8 - Other non-current financial assets

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Security deposits	**507.18**	580.52	845.77
Deposits with banks (with maturity period of more than 12 months)			
(i) Deposits with Banks	**52.10**	23.40	10.00
(ii) Balances held as security / margin money *	**140.94**	422.47	190.65
(iii) Balances with Banks in earmarked accounts	**1,135.71**	964.37	978.86
Total	**1,835.93**	**1,990.76**	**2,025.28**

*Held as lien by Banks against borrowings, guarantees and other commitments in the normal course of business.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 9 - Other non-current assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, Considered good			
Capital advances	**11.18**	103.66	1,452.58
Prepaid expenses	**-**	2.15	15.06
Balances with government authorities	**398.61**	390.58	396.29
Lease rent / utilities equalisation of income	**72.25**	56.41	39.53
Other advances	**-**	40.29	8.78
Unsecured, considered doubtful			
Deposit with Excise authorities	**31.45**	31.45	31.45
Less : Provision for doubtful advance	**(31.45)**	(31.45)	(31.45)
Total	**482.04**	**593.09**	**1,912.24**

Note 10 - Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw materials	**1,890.21**	1,892.60	1,839.88
Work-in-progress	**6,339.20**	7,435.11	6,780.23
Finished goods	**5,020.68**	4,585.56	3,793.98
Stock-in-trade	**2,128.47**	2,549.22	1,333.40
Stores and spares	**826.52**	684.09	678.79
Others (Land)* [Refer Note 49 (ii)]	**61.97**	61.97	61.97
Total	**16,267.05**	**17,208.55**	**14,488.25**

Amounts recognised in the statement of profit and loss

Write-downs of inventories to net realisable value amounted to ₹ 277.46 lakhs (March 31, 2017 – ₹ 220.67 Lakhs). These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss.

* The Company is in process of getting expend leases renewed.

Note 11 - Current investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investment in equity instruments (fully paid)			
At Fair value through Profit and Loss			
Quoted			
Nil (March 31, 2017 : 118,389, April 1, 2016 : Nil) Equity shares of ₹10/- each of Navin Fluorine International Limited (Refer Note 6)	**-**	3,603.42	-
Total	**-**	**3,603.42**	**-**
Total current investments			
Aggregate amount of quoted investments and market value thereof	**-**	**3,603.42**	**-**

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 12 - Trade receivables

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Trade receivables	**28,829.67**	29,003.04	31,783.54
Receivables from related parties (Refer Note 41)	**1.23**	21.79	280.50
Less: Allowance for doubtful debts (Refer Note 38)	**(213.17)**	(175.15)	(105.63)
Total receivables	**28,617.73**	**28,849.68**	**31,958.41**
Unsecured, considered good	**28,617.73**	28,849.68	31,958.41
Doubtful	**213.17**	175.15	105.63
Less: Allowance for doubtful debts	**(213.17)**	(175.15)	(105.63)
Total Trade Receivables	**28,617.73**	**28,849.68**	**31,958.41**
Note :- Trade receivables with Private companies in which atleast one of the directors is a director or member:			
Arvi Associates Private Limited	**0.38**	-	-
Gayatri Pestichem Manufacturing Private Limited	**0.03**	-	-
Tropical Clothing Company Private Limited	**-**	-	9.64
	0.41	**-**	**9.64**

Transferred receivables

The carrying amounts of the trade receivables include receivables which are subject to a discounting arrangement. Under this arrangement, the Company has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk. The Company therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the discounting is presented as secured borrowing.

The relevant carrying amounts are as follows:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total transferred receivables	**1,072.70**	773.27	761.97
Associated secured borrowings (Refer Note 22)	**(1,072.70)**	(773.27)	(761.97)
Total	**-**	-	-

Refer Note 38 for information about credit risk and market risk for trade receivables.

Note 13 - Cash and cash equivalants

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Cash on hand	**15.23**	21.03	16.15
Cheques on hand	**155.63**	50.14	7.44
Balances with banks:			
(i) In Current accounts	**1,291.96**	676.65	550.62
(ii) In Deposit accounts (with less than 3 months original maturity)	**450.65**	230.46	0.10
Total	**1,913.47**	**978.28**	**574.31**

Note 14 - Other bank balances

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Deposits with original maturity of more than 3 months but less than 12 months	**-**	-	476.72
In earmarked accounts			
(i) Balances held as margin money or security against borrowings, guarantees and other commitments	**630.42**	415.55	749.63
(ii) Unclaimed dividend accounts	**28.56**	28.69	20.66
Others			
(i) Balance in Fixed Deposits (Refer Note 1 below)	**983.80**	10.50	8,354.30
(ii) Balance in Escrow Current account (Refer Note 2 below)	**1.87**	1.87	1.87
Total	**1,644.65**	**456.61**	**9,603.18**

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note:

1. Earmarked for overdraft facility - Nil (March 31, 2017 Nil, April 01, 2016; ₹ 8,354.30 lakhs, last date of maturity March 15, 2017)
2. Balance in Escrow Current account is operated under the supervision of Monitoring Committee constituted by the Government of Maharashtra, under Development Control Regulations, 1991.

Note 15 - Current loans

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Loans to employees	**8.25**	13.07	11.42
Total	**8.25**	**13.07**	**11.42**

Note 16 - Other current financial assets

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Derivative financial assets			
Foreign-exchange forward contracts	**-**	-	3.11
Security deposits	**315.32**	292.17	198.04
Others	**12.69**	35.30	79.63
Total	**328.01**	**327.47**	**280.78**

Note 17 - Other current assets

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Prepaid expenses	**384.89**	266.25	159.15
Balances with government authorities			
(i) Export and Modvat Benefit receivable	**771.39**	1,075.02	787.77
(ii) Goods and Service Tax Receivables	**1,513.45**	-	-
(iii) Interest subsidy receivable (TUFS)	**270.83**	739.02	482.92
Advance to suppliers	**659.02**	1,714.16	320.33
Others	**85.64**	104.33	165.75
Total	**3,685.22**	**3,898.78**	**1,915.92**

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 18 - Share capital and other equity

18(a) - Equity share capital

Particulars		As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
		Number of shares	**Amount (₹ In lakhs)**	Number of shares	Amount (₹ In lakhs)	Number of shares	Amount (₹ In lakhs)
(i)	**Authorised**						
	Equity shares of ₹10/- each with voting rights	**14,245,081**	**1,424.51**	14,245,081	1,424.51	14,245,081	1,424.51
	Unclassified Shares of ₹10/- each	**85,754,919**	**8,575.49**	85,754,919	8,575.49	85,754,919	8,575.49
		100,000,000	**10,000.00**	**100,000,000**	**10,000.00**	**100,000,000**	**10,000.00**
(ii)	**Issued**						
	Equity shares of ₹10/- each with voting rights	**13,912,886**	**1,391.28**	13,912,886	1,391.28	13,912,886	1,391.28
(iii)	**Subscribed and fully paid up**						
	Equity shares of ₹10/- each with voting rights	**13,912,886**	**1,391.28**	13,912,886	1,391.28	13,912,886	1,391.28
	Less: Allotment money / Calls in arrears	**-**	**(0.06)**	-	(0.06)	-	(0.06)
Total		**13,912,886**	**1,391.22**	**13,912,886**	**1,391.22**	**13,912,886**	**1,391.22**

(1) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Number of shares	Share capital (₹ In lakhs) (Par value)
As at April 01, 2016		
Equity shares of ₹10/- each with voting rights	13,912,886	1,391.28
Less: Allotment money / Calls in arrears	-	(0.06)
Issued during the year	-	-
As at March 31, 2017	13,912,886	1,391.22
Issued during the year	-	-
As at March 31, 2018	**13,912,886**	**1,391.22**

(2) Terms & rights attached to Equity shares:

The Company has issued only one class of equity shares having a par value of ₹10/- per share. Every holder of equity shares is entitled to one vote per share held. 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 at the ensuing Annual General Meeting.

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 in proportion to their shareholding.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

(3) Details of shareholders holding more than 5% of the aggregate shares in the Company:

Particulars	**As at March 31, 2018**		As at March 31, 2017		As at April 01, 2016	
	Number of shares	**% Holding**	Number of shares	% Holding	Number of shares	% Holding
H. A. Mafatlal	**3,176,150**	**22.83%**	3,176,150	22.83%	826,803	5.94%
NOCIL Limited	**1,269,695**	**9.13%**	1,269,695	9.13%	566,320	4.07%
Suremi Trading Private Limited	**3,093,047**	**22.23%**	3,093,047	22.23%	2,318,895	16.66%
Navin Fluorine International Limited	**1,071,332**	**7.70%**	1,071,332	7.70%	1,774,707	12.76%
Rekha H. Mafatlal	**804,283**	**5.78%**	804,283	5.78%	804,283	5.78%
V. P. Mafatlal	*	*	*	*	1,212,316	8.72%
Rupal V. Mafatlal	*	*	*	*	1,203,465	8.65%

*Holding as at March 31, 2017 and March 31, 2018 is less than 5%.

(4) In terms of Modified Scheme (MS) approved by BIFR in June, 2009, 60,000,000 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. Preference shares redeemed by the Company during the period of five years immediately preceding the reporting date:

Particulars	Numbers	(₹ in lakhs)
As at March 31, 2014	60,000,000	6,000
As at March 31, 2013	30,000,000	3,000

(5) Aggregate number of shares issued for consideration other than cash

(i) During the year 2013-14, 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.

(ii) Shares reserved for issue under options

Information relating to Mafatlal Industries Limited Employee Option Plan, including details of options issued, granted, vested and exercised during the financial year and options outstanding at the end of the reporting period, is set out in note 37.

(6) Calls unpaid (by other than officers and directors)

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Calls Unpaid	**0.06**	0.06	0.06

(7) 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.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

18(b) - Reserves and surplus

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Securities premium reserve	**17,452.07**	17,452.07	17,452.07
Retained earnings	**3,719.29**	8,199.47	8,304.91
General Reserve	**620.00**	620.00	620.00
Capital reserve No.1	**61.16**	61.16	61.16
Capital reserve No. 2	**35.00**	35.00	35.00
Capital Reserve on Amalgamation	**3,634.48**	3,634.48	3,634.48
Capital redemption reserve	**8,383.14**	8,383.14	8,383.14
Capital Investment Reserve	**75.96**	75.96	75.96
Investment Reserve	**1.78**	1.78	1.78
ESOP Reserve	**17.93**	-	-
Export Profit Reserve	**20.00**	20.00	20.00
Other reserves:			
FVOCI - Equity instruments	**44,428.43**	19,076.89	6,861.00
Total	**78,449.24**	**57,559.95**	**45,449.50**

(i) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Particulars		As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year		**17,452.07**	17,452.07
Add:- Movement during the year		**-**	-
Balance at the end of the year		**17,452.07**	17,452.07

(ii) Retained earnings

Particulars		As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year		8,199.47	8,304.91
Add : (Loss) / Profit for the year		(4,177.82)	412.40
Less: Dividend and Dividend Distribution Tax		(334.90)	(502.36)
Other comprehensive income / (loss)		32.54	(15.48)
Balance at the end of the year		**3,719.29**	**8,199.47**

(iii) General Reserve

Particulars		As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year		**620.00**	620.00
Add:- Movement during the year		**-**	-
Balance at the end of the year		**620.00**	**620.00**

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

(iv) Capital reserve No.1

Capital reserve is to be utilised in accordance with provision of the Act.

Particulars		As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year		**61.16**	61.16
Add:- Movement during the year		**-**	-
Balance at the end of the year		**61.16**	**61.16**

(v) Capital reserve No. 2

The reserve has arisen out of State Government subsidy received by the Company and is separately maintained as per the provisions of the Act..

Particulars		As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year		**35.00**	35.00
Add:- Movement during the year		**-**	-
Balance at the end of the year		**35.00**	**35.00**

(vi) Capital Reserve on Amalgamation

The said reserve has arisen out of amalgamation with 'Mafatlal Denim Limited'

Particulars		As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year		**3,634.48**	3,634.48
Add:- Movement during the year		**-**	-
Balance at the end of the year		**3,634.48**	**3,634.48**

(vii) Capital redemption reserve

It represents reserve created during buy back of Equity Shares, preference shares and it is a non-distributable reserve.

Particulars		As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year		**8,383.14**	8,383.14
Add:- Movement during the year		**-**	-
Balance at the end of the year		**8,383.14**	**8,383.14**

(viii) FVOCI - Equity instruments

The Company fair values certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve.

Particulars		As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year		**19,076.89**	6,861.00
Add:- Change in fair value of FVOCI equity instruments		**25,351.54**	12,215.89
Balance at the end of the year		**44,428.43**	**19,076.89**

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

(ix) Capital Investment Reserve

The said reserve has arisen out of excess of non taxable sales proceeds over the book values

Particulars		**As at March 31, 2018**	As at March 31, 2017
Balance at the beginning of the year		75.96	75.96
Add:- Movement during the year		-	-
Balance at the end of the year		**75.96**	**75.96**

(x) Investment Reserve

The said reserves has arisen on account of amalgamtion with Mafatlal Gagalbhai and Company Private Limited.

Particulars		**As at March 31, 2018**	As at March 31, 2017
Balance at the beginning of the year		1.78	1.78
Add:- Movement during the year		-	-
Balance at the end of the year		**1.78**	**1.78**

(xi) ESOP Reserve

The said reserves has arisen on account of ESOP scheme announced by the Company.

Particulars		**As at March 31, 2018**	As at March 31, 2017
Balance at the beginning of the year		-	-
Add:- Movement during the year		17.93	-
Balance at the end of the year		**17.93**	**-**

(xii) Export Profit Reserve

The said reserve has arisen due to amalgmation with the Mafatlal Fine Spinning and Manufacturing Co. Ltd.

Particulars		**As at March 31, 2018**	As at March 31, 2017
Balance at the beginning of the year		20.00	20.00
Add:- Movement during the year		-	-
Balance at the end of the year		**20.00**	**20.00**

Note 19 - Non-current borrowings

Particulars		**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Secured				
Term Loans				
(a)	**From Banks**	**6,461.99**	8,429.12	5,933.26
(b)	For vehicle loans [Refer Note no.(vi)]	**67.53**	84.00	115.83
(c)	From financial institutions [Refer Note no.(vii) and (viii)]	**1,504.01**	1,137.01	401.84
Total		**8,033.53**	**9,650.13**	**6,450.93**

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

(i)	Term loans from Bank, amounting to Nil (March 31, 2017 ₹ 909.15 lakhs and April 01, 2016 ₹1764.15 lakhs) is secured by a pari-passu mortgage / hypothecation first charge on certain fixed assets, including leasehold land at Navsari Plant and pari passu second charge on certain current assets of the Company and pledge by promoters / promoter companies of certain shareholding in the Company.	Repayable in quarterly installments till March 2018. The loans carry interest linked to the lenders' MCLR. The effective rate of interest for the year was in the range of 13.50% p.a. (March 31, 2017 14% to 14.25% and April 01, 2016 14.25% to 14.90% p.a.).
(ii)	Term loan from a Bank, amounting to ₹ 3,584 lakhs (March 31, 2017 ₹ 4,440.00 lakhs and April 01, 2016 ₹ 536.47 lakhs) is secured by mortgage of a portion of land near Navsari Plant and exclusive first charge on Fixed Assets acquired out of the said loan from Bank at Navsari Plant and pari-passu second charge on certain current assets of the Company.	Repayable in 20 quarterly installments beginning from June 2017, till March 2022 after a moratorium period of 15 months. The loan carry interest linked to the lenders' MCLR. The effective rate of interest for the year was 12.25% p.a. (March 31, 2017 12.25% p.a. and April 01, 2016 12.25% p.a.).
(iii)	Term loan from a Bank, amounting to ₹ 1708.60 lakhs (March 31, 2017 ₹ 2,208.33 lakhs and April 01, 2016 ₹ 2,499.99 lakhs) is secured by mortgage of a immovable asset at Mumbai and exclusive first charge on Fixed Assets acquired out of the said loan from Bank at Navsari Plant and pari-passu second charge on certain current assets of the Company.	Repayable in 60 installments beginning from September 2016 till August 2021 after a moratorium period of 24 months. The effective rate of interest for the year was 12.50% p.a. (March 31, 2017 12.25% p.a. and April 01, 2016 12.25% p.a.).
(iv)	Term loan from a Bank, amounting to ₹ 1,841.99 lakhs (March 31, 2017 ₹2,333.59 lakhs and April 01, 2016 ₹ 2,457.63 lakhs) is secured by mortgage of a immovable asset at Nadiad and exclusive first charge on Fixed Assets acquired out of the said loan from Bank at Nadiad Plant and second charge on certain current assets of the Company.	The effective rate of interest for the year was 12.25% p.a. (March 31, 2017 12.50% p.a. to 14.25% p.a. and April 01, 2016 14.25% to 14.50% p.a.).
(v)	Term loan from a Bank, amounting to ₹ 1,446.45 lakhs (March 31, 2017 ₹1,572.78 lakhs and April 01, 2016 Nil) is secured exclusive by mortgage / hypothecation of a immovable asset at Mumbai and second charge on certain current assets of the Company.	Repayable in 108 installments beginning from July 2016 till June 2025. The effective rate of interest for the year was 10.20% p.a. (March 31, 2017 10.75% p.a.).
(vi)	Loans from a Bank for Vehicles is secured by hypothecation of respective vehicles.	Repayable in monthly installments and the effective rate of interest for the year was in the range of 10.50% to 11% p.a. (Previous year 10.50% to 11% p.a).
(vii)	Term loan from a Financial Institution, amounting to Nil (March 31, 2017 ₹ 239.25 lakhs and April 01, 2016 ₹ 464.25 lakhs) is secured by a pari-passu mortgage / hypothecation charge on certain fixed assets, including leasehold land at Navsari Plant and hypothecation charge on certain current assets of the Company and pledge by promoters / promoter companies of certain shareholding in the Company.	Repayable in quarterly installments till March 2018. The loans carry interest linked to the lenders' MCLR. The effective rate of interest for the year was in the range of 12.45% to 11.80% p.a. (March 31, 2017 12.45% p.a. to 12.70% and April 01, 2016 12.70% p.a. to 13.25% p.a.).
(viii)	Term loan from a Financial Institution, amounting to Nil (March 31, 2017 ₹162.59 lakhs and April 01, 2016 ₹ 315.50 lakhs) is secured by a pari-passu mortgage / hypothecation charge on certain fixed assets, including leasehold land at Navsari Plant and hypothecation charge on certain current assets of the Company and pledge by promoters / promoter companies of certain shareholding in the Company.	Repayable in quarterly installments till March 2018. The loans carry interest linked to the lenders' MCLR. The effective rate of interest for the year was in the range of 12.45% to 11.80% p.a. (March 31, 2017 12.45% p.a. to 12.70% and April 01, 2016 12.70% p.a. to 13.25% p.a.).

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

(ix)	Term loan from a Bank, amounting to ₹ 1,137.00 lakhs (March 31, 2017 ₹ 1,437.01 lakhs and April 01, 2016 Nil) is secured by mortgage of a immovable asset at Nadiad and exclusive first charge on Fixed Assets acquired out of the said loan from Bank at Nadiad Plant.	Repayable in 20 quarterly installments beginning from June 2017 till March 2022 after a moratorium period of 12 months. The effective rate of interest for the year was 11.75% p.a.(March 31, 2017 11.75% p.a. to 12.00% p.a. and April 01, 2016 Nil).
(x)	Term loan from a Bank, amounting to ₹667.00 lakhs (March 31, 2017 Nil and April 01, 2016 Nil) is secured by Charge on movable fixed assets to be acquired out of proposed Term Loan, Charge by way of mortgage over immovable assets (land & Building) measuring 253.81 sq mtrs. of Mafatlal House, Pledge over 4,91,062 shares of NOCIL, mortgage of a immovable asset at Nadiad and exclusive first charge on Fixed Assets acquired out of the said loan from Bank at Nadiad Plant and a lien on term deposit .	Repayable in 20 quarterly installments beginning from June 2019 till March 2024 after a moratorium period of 18 months. The effective rate of interest for the year was 11.75% p.a.(March 31, 2017 11.75% p.a. to 12.00% p.a. and April 01, 2016 Nil).

The amounts mentioned include installments falling due within a year aggregating to ₹ 2,380.39 Lakhs (March 31, 2017: ₹ 3,642.11 Lakhs; April 01,2016: ₹1,613.18 Lakhs) have been grouped under Current maturities of long-term debt [Refer Note 24]

Amount of Nil (March 31, 2017: ₹30.14 Lakhs and 1st April, 2016: ₹137.63 Lakhs) related to deferred expense towards processing charges is netted off against loan.

* Rate of Interest is without considering interest subsidy as per Central and State Government TUF Schemes.

For Liquidity risk information, Refer Note 38.

Note 20 - Other non-current financial liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade / Security deposits	284.91	183.34	249.85
Interest accrued on others [Refer Note 49 (i)]	237.46	172.74	109.06
Total	**522.37**	356.08	358.91

Note 21 - Other non-current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred Income on Government Grant (Refer Note 46)	2,655.91	3,162.71	2,035.87
Total	**2,655.91**	**3,162.71**	**2,035.87**

Note 22 - Current borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Secured			
Loans repayable on demand			
From Banks			
Overdraft facility*	-	-	7,529.39
Cash credit**	11,873.14	10,972.16	6,694.10
Factored receivables	1,072.70	773.27	761.97
Total	**12,945.84**	**11,745.43**	**14,985.46**

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

* Secured against Fixed Deposits of ₹Nil, (March 31, 2017 Nil, April 01, 2016: ₹ 8,354.30 lakh, last date of maturity March 15, 2017)

** Cash credit facility are secured by hypothecation of certain stocks and book debts, both present and future, of the Company, second charge on certain Fixed Assets of the Company and pledge of investments held by the Company. The cash credit is repayable on demand and carry an interest @ 11.15 % to 12.50% p.a. (Previous year 12.00% to 14.10% p.a.).

Refer Note No.47 for Assets pledged as security

Note 23 - Trade payables

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Trade Payables (Refer Note below)	**26,973.52**	25,253.31	26,449.25
Trade Payables to related parties (Refer Note No.41)	**1.35**	2.59	1.80
Total	**26,974.87**	**25,255.90**	**26,451.05**

Note: For Liquidity risk information, refer note 38.

Dues to Micro and Small Enterprises:

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows.

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**273.80**	30.08	83.11
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**11.95**	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	**-**	-	-
Further interest remaining due and payable for earlier years	**-**	-	-

Note 24 - Other current financial liabilities

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Current maturities of long-term debt (Refer Note No.19)			
(i) From Banks	**2,041.01**	2,905.21	1,187.35
(ii) For vehicle loans	**39.38**	35.06	47.92
(iii) From financial institutions	**300.00**	701.84	377.91
Other advances [Refer Note 49(i)]	**577.89**	577.89	577.89
Interest accrued but not due on borrowings	**65.85**	134.87	91.62
Unclaimed dividends*	**28.56**	28.69	20.66

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade / Security deposits	50.00	51.95	48.35
Trade payables for capital assets	97.49	5.34	13.06
Derivative financial liabilities			
(i) Foreign-exchange forward contracts	6.22	8.86	-
Total	**3,206.40**	**4,449.71**	**2,364.76**

*There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

Note 25 - Current provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee Benefits:			
(i) Provision for Compensated absences (Refer Note 40)	682.15	636.50	619.35
(ii) Provision for Gratuity (Refer Note 40)	205.19	202.91	126.44
Other Provisions			
(i) Provision for Fringe Benefit Tax (net of advance tax ₹39.05 lakhs (As at April 01, 2016 ₹39.05 lakhs))	0.40	0.40	0.40
(ii) Provision for Wealth Tax (net)	0.11	0.11	0.11
Total	**887.85**	**839.92**	**746.30**

Note 26 - Other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Payment towards Statutory liabilities	621.78	634.14	611.73
Advances from customers	1,285.77	1,907.12	365.09
Employee Benefits Payable	971.11	974.69	1,065.10
Lease rent / utilities equalisation on expense	90.17	96.62	98.01
Deferred Income on Government Grant (Refer Note 46)	500.72	504.98	455.73
Others	322.49	541.74	916.96
Total	**3,792.04**	**4,659.29**	**3,512.62**

Note 27 - Revenue from operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products	115,538.81	122,281.61
Other operating revenues		
Income from waste / scrap sale	402.33	363.83
Processing income	7.56	144.78
Duty drawback and other export incentives	811.34	1,095.01
Total revenue from operations	**116,760.04**	**123,885.23**

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 28(a) - Other income

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Interest Income on Financial Assets at Amortised Cost	**168.66**	295.49
Interest Income on Income Tax refund	**21.56**	36.54
Rental income from investment property	**483.26**	477.04
Utility / business service / air-conditioning charges and other receipts in respect of investment property	**829.83**	749.52
Dividend income from investments measured at fair value through profit or loss	**-**	42.80
Dividend income from equity investments designated at fair value through other comprehensive income *	**491.22**	284.19
Apportioned Income from Government Grant #	**511.06**	592.33
Miscellaneous income	**114.14**	222.48
Total	**2,619.73**	**2,700.39**

* All dividends from equity investments which are designated at FVOCI relate to the investments held at the end of the reporting period.

Government grants have been received for investment in certain items of property, plant and equipment. There are no unfulfilled conditions or other contingencies attaching to these grants as at March 31, 2018. (Refer Note 46)

Note 28(b) - Other gains / (losses)

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Net gain on disposal of Property Plant and Equipment (Refer Note 3)	**715.56**	119.30
Net foreign exchange differences	**149.48**	(3.53)
Net gain / (loss) on fair value changes		
Derivatives at FVPL	**(5.70)**	(3.64)
Net gain / (loss) on sale of Investments	**(189.48)**	1,980.45
Total	**669.86**	**2,092.58**

Note 29 - Cost of materials consumed

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Raw materials consumed	**39,172.50**	37,752.79
Total	**39,172.50**	**37,752.79**

Note 30 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Inventories at the end of the year		
Finished goods	**5,020.68**	4,585.56
Work-in-progress	**6,339.20**	7,435.11
Stock-in-trade (Traded goods)	**2,128.47**	2,549.22
Inventories at the beginning of the year		
Finished goods	**4,585.56**	3,793.98
Work-in-progress	**7,435.11**	6,780.23
Stock-in-trade (Traded goods)	**2,549.22**	1,333.40
Total	**1,081.54**	**(2,662.28)**

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 31 - Employee benefit expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	**12,005.47**	11,262.23
Contributions to provident and other funds	**755.84**	855.32
Gratuity expenses (Refer Note 40)	**206.49**	186.12
Staff welfare expenses	**471.89**	452.17
Employee share-based payment expense (Refer Note 37)	**17.93**	-
Total	**13,457.62**	**12,755.84**

Note 32 - Finance costs (Net)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense on :-		
Borrowings (Refer Note 1 and 2 below)	**2,683.77**	2,346.38
Trade payables	**220.56**	199.13
Others (Includes charges for bills discounting, interest on service tax and excise etc.)	**185.03**	29.71
Other borrowing costs	**19.18**	83.18
Total	**3,108.54**	**2,658.40**

Note 1:

The interest subsidy for the year on the Term Loans availed under the Technology Upgradation Fund Scheme (TUFS) is ₹ 135.08 lakhs (Previous year ₹ 285.62 lakhs) and the same has been netted off from interest expense.

Note 2:

Finance costs are net of Interest of ₹51.32 lakhs (Previous year ₹ 473.47 lakhs) capitalised in fixed assets and CWIP- Refer Note 3

Note 33 - Depreciation and amortisation expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation on property, plant and equipment	**3,528.08**	3,198.51
Amortisation on intangible assets	**78.63**	35.28
Depreciation on investment property	**3.88**	3.88
Total	**3,610.59**	**3,237.67**

Note 34 - Other expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of stores and spare parts	**8,159.17**	8,776.78
Processing charges	**1,793.02**	2,318.81
Power and fuel	**9,119.13**	8,746.88
Repairs and maintenance - Buildings	**82.58**	105.71
Repairs and maintenance - Machinery	**255.94**	296.49
Repairs and maintenance - Others	**83.82**	22.28
Insurance	**73.84**	108.32

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Lease rent [Refer Note No.43(b)]	**334.05**	360.69
Rates and taxes	**111.09**	307.24
Transport and freight charges (net)	**847.52**	652.29
Expenditure on corporate social responsibility [Refer Note 34(b)]	**2.21**	26.81
Donations and Charities	**0.62**	0.75
Bad trade and other receivables / loans and advances written off (net)	**176.41**	55.24
Provision for doubtful trade receivables and loans & advances (net)	**38.02**	69.52
Legal and professional fees	**789.90**	958.44
Payments to auditors [Refer Note 34(a)]	**67.50**	70.85
Directors' fees (Refer Note 41)	**61.95**	32.20
Miscellaneous expenses (includes Travelling, Printing & Stationery etc.)	**3,525.91**	3,716.28
Total	**25,522.68**	26,625.58

Note 34 (a) - Details of payment to auditors

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Payment to the auditors		
Audit fees	**35.00**	41.68
For taxation matters	**-**	1.15
For other services	**31.15**	24.97
Reimbursement of expenses	**1.35**	3.05
Total	**67.50**	**70.85**

Note 34 (b) - Corporate social responsibility

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Amount required to be spent as per Section 135 of the Act	**-**	-
Amount spent during the year on		
(i) Construction / acquisition of an asset	**-**	11.96
(ii) On purposes other than (i) above	**2.21**	14.85
Total	**2.21**	**26.81**

Note 34 (c) - Exceptional items

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Voluntary Retirement Scheme and old employees settlement	**-**	(467.15)
Total	**-**	**(467.15)**

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 35 - Taxation

35(a) - Income tax expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax		
Current tax on (Loss) / Profits for the year	-	-
Total current tax expense	-	-
Deferred tax		
(Decrease) / increase in deferred tax assets	17.00	463.04
Decrease / (increase) in deferred tax liabilities	-	-
Total deferred tax expense/(credit)	17.00	463.04
Income tax expense	17.00	463.04

35(b) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Loss for the year	(4,194.82)	(50.64)
Statutory income tax rate applicable to Mafatlal Industries Limited	34.944%	34.608%
Tax expense at applicable tax rate	(1,465.84)	(17.53)
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income		
Expenses not deductible for tax purposes	(75.71)	(20.80)
Weighted Deduction allowed	16.06	529.84
Exempt Income	201.22	833.55
Tax losses for which no deferred tax recognised	(1,565.71)	(870.04)
Others	(24.70)	(27.04)
Income tax expense as per the Statement of Profit and Loss	17.00	463.04

35(c) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognised in Equity and not in Statement of Profit and Loss or Other comprehensive income.

35(d) - Deferred tax assets

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for doubtful debts / advances (net)	73.91	60.62	36.56
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	421.61	527.64	606.64
Unabsorbed depreciation	4,848.56	4,785.88	3,490.54
Investment property	2.61	2.61	2.61
Others	5.63	5.63	
Total deferred tax assets	5,352.32	5,382.38	4,136.35
Deferred Tax Liability			
On difference between book balance and tax balance of fixed assets	(4,124.36)	(4,154.42)	(3,376.08)
Other	-	-	(3.50)
Total deferred tax assets	1,227.96	1,227.96	756.77

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Movement in deferred tax (assets)/liabilities

Particulars	As at April 01, 2016	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2017
Provision for doubtful debts / advances (net)	36.56	24.06	-	60.62
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	606.64	(87.15)	8.15	527.64
Unabsorbed depreciation	3,490.54	1,295.34	-	4,785.88
Investment property	2.61	-	-	2.61
On difference between book balance and tax balance of fixed assets	(3,376.08)	(778.34)	-	(4,154.42)
Others	(3.50)	9.13	-	5.63
Total deferred tax assets	**756.77**	**463.04**	**8.15**	**1,227.96**

Particulars	As at March 31, 2017	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2018
Provision for doubtful debts / advances (net)	60.62	13.29	-	73.91
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	527.64	(89.03)	(17.00)	421.61
Unabsorbed depreciation	4,785.88	62.68	-	4,848.56
Deffered Tax Asset Calculated on Indexed Cost of Acquisition of Immovable Property	2.61	-	-	2.61
On difference between book balance and tax balance of fixed assets	(4,154.42)	30.06	-	(4,124.36)
Others	5.63	-	-	5.63
Total deferred tax assets	**1,227.96**	**17.00**	**(17.00)**	**1,227.96**

35(e) - Tax losses

The Company has not created deferred tax asset on the following tax losses:-

Particulars		**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Short Term Capital Loss		**455.93**	455.93	455.93
Potential tax benefit @ 34.944%	(a)	**159.32**	159.32	159.32
Long Term Capital Loss		**1,338.24**	2,076.15	2,076.15
Potential tax benefit @ 23.30%	(b)	**311.81**	483.74	483.74
Unabsorbed brought forward depreciation / business losses		**1,565.71**	870.04	-
Potential tax benefit @ 34.944%	(c)	**547.12**	304.03	-
Minimum Alternate Tax		**2,702.53**	2,702.53	2,702.53
Potential tax benefit @ 21.55%	(d)	**582.40**	582.40	582.40
Total Potential tax benefit	**[(a)+(b)+(c)+(d)]**	**1,600.65**	**1,529.49**	**1,225.46**

The unused tax losses are not likely to generate taxable income in near future.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

35(f) - Unrecognised temporary differences

The Company has not recognised deferred tax asset/(liability) associated with fair value gains on Equity instruments measured at FVOCI as based on the management projection of future taxable income and existing plan it is not probable that such difference will reverse in the foreseeable future.

35(g)-Income Tax asset (Net)

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Income Tax asset [Net of Provision of Tax ₹ 12,023.16 Lakhs, (March 31, 2017: ₹12,596.65 Lakhs), (April 01, 2016 ₹12,596.65 Lakhs)]	**1,770.86**	2,161.61	1,834.45

35(h)-Current Tax Liabilities (Net)

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Current Tax liabilities [Net of Advance Tax ₹ 1,671.56 Lakhs, (March 31, 2017: ₹1,671.91Lakhs), (April 01, 2016 ₹1,290.75 Lakhs)]	**285.56**	728.28	754.00

Note 36 - Fair value measurements

Financial instruments by category

	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	FVPL	**FVOCI**	**Amortised cost**	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Investments in Equity instruments other than subsidiary	-	**50,095.26**	**65.42**	3,603.61	24,743.72	65.42	3,213.86	10,871.53	36.97
Cash and bank balances	-	-	**3,558.12**	-	-	1,434.89	-	-	10,177.49
Loans	-	-	**730.65**	-	-	1,093.61	-	-	525.67
Security deposits	-	-	**822.51**	-	-	872.68	-	-	1,043.81
Bank deposits with more than 12 months maturity	-	-	**1,328.75**	-	-	1,410.24	-	-	1,179.51
Trade receivables	-	-	**28,617.73**	-	-	28,849.68	-	-	31,958.41
Derivative instruments	-	-	-	-	-	-	3.11	-	-
Others	-	-	**12.69**	-	-	35.30	-	-	79.63
Total financial assets	**-**	**50,095.26**	**35,135.86**	**3,603.61**	**24,743.72**	**33,761.83**	**3,216.97**	**10,871.53**	**45,001.49**
Financial liabilities									
Borrowings	-	-	**23,359.76**	-	-	25,037.67	-	-	23,049.57
Trade / Security deposits received	-	-	**334.91**	-	-	235.29	-	-	298.20
Trade payables	-	-	**26,974.87**	-	-	25,255.90	-	-	26,451.05
Trade payables for capital assets	-	-	**97.49**	-	-	5.34	-	-	13.06

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	FVPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Interest accrued but not due on borrowings	-	-	65.85	-	-	134.87	-	-	91.62
Interest accrued on others	-	-	237.46	-	-	172.74	-	-	109.06
Other advances	-	-	577.89	-	-	577.89	-	-	577.89
Unclaimed dividends	-	-	28.56	-	-	28.69	-	-	20.66
Derivative instruments	6.22	-	-	8.86	-	-	-	-	-
Total financial liabilities	**6.22**	**-**	**51,676.79**	**8.86**	**-**	**51,448.39**	**-**	**-**	**50,611.11**

Financial Asset and Liabilities measured at Fair Value - recurring fair value measurements

	Level 1	Level 2	Total
As at March 31, 2018			
Quoted Equity investments measured at Fair value	**49,943.85**	**-**	**49,943.85**
Derivative asset / (liability)	**-**	**(6.22)**	**(6.22)**
			-
As at March 31, 2017			
Quoted Equity investments measured at Fair value	24,597.74	-	24,597.74
Derivative asset / (liability)	-	(8.86)	(8.86)
	-	-	
As at April 01, 2016	-	-	
Quoted Equity investments measured at Fair value	13,983.63	-	13,983.63
Derivative asset / (liability)	-	3.11	3.11

Asset and Liabilities measured at Amortised cost for which fair values are disclosed - Level 3

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Assets						
Investments in Government securities	**2.89**	**2.89**	2.89	2.89	2.89	2.89
Investments in Unquoted Shares	**62.53**	**62.53**	62.53	62.53	34.08	34.08
Loans	**722.40**	**722.40**	1,080.54	1,080.54	514.25	514.25
Security deposits	**507.18**	**507.18**	580.52	580.52	845.77	845.77
Bank deposits with more than 12 months maturity	**1,328.75**	**1,328.75**	1,410.24	1,410.24	1,179.51	1,179.51
Liabilities						
Borrowings	**8,033.53**	**8,033.53**	9,650.13	9,650.13	6,450.93	6,450.93
Trade / Security deposits received	**284.91**	**284.91**	183.34	183.34	249.85	249.85
Other financial liabilities	**237.46**	**237.46**	172.74	172.74	109.06	109.06

The carrying amounts of cash and bank balances, trade receivables, short term loans and security deposits given, trade payable, payble for capital assets, short term borrowings and other current financial assets and liabilities are considered to be the same as their fair values due to their short-term nature. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair value.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Asset and Liabilities measured at fair values - Level 3

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Assets			
Investments in Unquoted Shares - FVPL	-	0.19	0.14
Investments in Unquoted Shares - FVOCI	**151.41**	145.98	101.61

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard as follows:-

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the other unquoted equity investments is determined based on the report of the valuer
- the fair value of forward foreign exchange contracts is determined using foreign exchange rates at the balance sheet

(iii) Valuation processes

The finance department of the Company obtains assistance of independent and competent third party valuers to perform the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This expert reports to the financial risk management team and Chief Financial Officer (CFO). Discussion of valuation processes and results are held between the CFO and the valuation team at least once every three months, in line with the Company's quarterly reporting periods. The main level 3 inputs used by the Company are derived and evaluated as follows:

(a) Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

(b) Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk grading determined by the Company's internal credit risk management committee.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the financial risk management team, CFO & the valuation experts. As part of this discussion the team presents a report that explains the reason for the fair value movements.

Note 37 - Share Based Payments

(a) Employee option plan

The Mafatlal Employee Stock Option Scheme 2017 (ESOS) of Mafatlal Industries Limited was approved by the Board of Directors of the Company at their meeting held on 5th May,2017 and finalised on 10th August, 2017. At the annual general meeting held on August 02, 2017, the shareholders have approved the creation of employee stock option pool of 6,95,000 equity shares of face value of ₹10/- each fully paid up on such terms and such manner as the Board may decide in accordance with the provisions of applicable law and proposed Mafatlal Employee Stock Option Scheme 2017 (ESOS). The Company intends to implement ESOS with a view to attract and retain key talents working with the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The Nomination

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

& Remuneration Committee(NRC) will administer the ESOS. On 10th November, 2017 the NRC has granted 138,000 options with a progressive vesting to certain senior management employees and the vesting of options will be @15% on 1st Anniversary, 20% on 2nd Anniversary, 30% on 3rd Anniversary, 35% on 4th Anniversary of grant date.

Once vested the options remain excerisable for a period of four years.

Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one equity share. The exercise price of the options is fair market price of the share as on date of grant of options.

Set out below is a summary of options granted under the plan

Particulars	Average exercise price per share option (₹)	Number of options
Opening Balance	-	-
Granted during the year	322.70	138,000
Excercised during the year	-	-
Forfeited during the year	322.70	(10,000)
Closing Balance	-	128,000
Vested and excercisable	-	-

No options expired during the periods covered in the above tables.

Share options outstanding at the end of the year have the following expiry date and exercise prices

Grant Date	Vesting Date	Expiry Date	Exercise price (INR)	Share options March 31, 2018	Fair value of options (INR)
10-Nov-17	10-Nov-18	10-Nov-22	322.70	19,200	108.92
10-Nov-17	10-Nov-19	10-Nov-23	322.70	25,600	126.71
10-Nov-17	10-Nov-20	10-Nov-24	322.70	38,400	146.18
10-Nov-17	10-Nov-21	10-Nov-25	322.70	44,800	156.18
Total				**128,000**	

(i) Fair Value of options granted

The weighted average fair value at grant date of options granted during the year ended March 31, 2018 was INR 145.78 per option (March 31, 2017 - Nil). The fair value at grant date is determined using the Black and Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of option.

The model inputs for options granted during the year ended March 31, 2018 included:-

(a) options are granted for no consideration and vest upon completions of service for a period of 1-4 years. Vested options are excercisable for a period of four years after vesting.

(b) exercise price: ₹ 322.70

(c) grant date: November 10, 2017

(d) expiry date: November 10, 2022 - November 10, 2025

(e) share price at grant date: ₹ 314.10

(f) expected price volatility of The Company's shares: 48.32%-51.99%

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

(g) expected dividend yield: 1.69%

(h) risk free interest rate: 6.51% - 6.91%

The expected price volatility is based on the historic volatility (based on the remaining life of the options) adjusted for any expected changes to future volatility due to publicly available information.

(b) Expenses arising from share based payment transactions

Total expenses arising from share based payment transactions recognised in profit and loss as part of employee benefit expense were as follows:-

Particulars	Year ended March 31, 2018
Employee option plan	**17.93**

Note 38 - Financial risk management

The Company's business activities exposes it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management and key management personnel have the ultimate responsibility for managing these risks. The Company has a mechanism to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's senior management and key management personnel are supported by the finance team and respective business divisions that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to protect the Company's financial results and position from financial risks and maintain market risks within acceptable parameters, while optimising returns.

(A) Management of liquidity risk

The principal sources of liquidity of the Company are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. The Company is cognizant of reputational risk that are associated with the liquidity risk and such risk is factored into the overall business strategy. The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

As at March 31, 2018	Note	Carrying amount	Less than 12 months	1 year to 3 years	More than 3 years
Borrowings	19,22 and 24	23,359.76	15,364.56	5,295.40	2,699.80
Interest accrued but not due on borrowings	24	65.85	65.85	-	-
Trade payables	23	26,974.87	26,974.87	-	-
Trade / Security deposits	20 and 24	334.91	50.00	284.91	-
Trade payables for capital assets	24	97.49	97.49	-	-
Derivatives (settlement on net basis)	24	6.22	6.22	-	-
Interest accrued on others	20	237.46	-	237.46	-
Other liabilities	24	606.45	606.45	-	-

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

As at March 31, 2017	Note	Carrying amount	Less than 12 months	1 year to 3 years	More than 3 years
Borrowings	19,22 and 24	25,037.67	15,387.53	4,670.81	4,979.33
Interest accrued but not due on borrowings	24	134.87	134.87	-	-
Trade payables	23	25,255.90	25,255.90	-	-
Trade / Security deposits	20 and 24	235.29	51.95	183.34	-
Trade payables for capital assets	24	5.34	5.34	-	-
Derivatives (settlement on net basis)	24	8.86	8.86	-	-
Interest accrued on others	20	172.74	-	172.74	-
Other liabilities	24	606.58	606.58	-	-

As at April 01, 2016	Note	Carrying amount	Less than 12 months	1 year to 3 years	More than 3 years
Borrowings	19, 22 and 24	23,049.57	16,598.64	1,218.90	5,232.03
Interest accrued but not due on borrowings	24	91.62	91.62	-	-
Trade payables	23	26,451.05	26,451.05	-	-
Trade / Security deposits	20 and 24	298.20	48.35	249.85	-
Trade payables for capital assets	24	13.06	13.06	-	-
Interest accrued on others	20	109.06	-	-	109.06
Other liabilities	24	598.55	598.55	-	-

(B) Management of market risk

The size and operations of the Company result in it being exposed to the following market risks that arise from its use of financial instruments:

i) price risk

ii) interest rate risk

iii) Commodity risk

iv) foreign exchange risk

The above risks may affect income and expenses, or the value of financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of, these risks is explained below:

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Potential impact of risk	Management policy	Sensitivity to risk
i) Price risk		
The Company is mainly exposed to the price risk due to its investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments. Equity price risk is related to the change in market reference price of the investments in equity securities. In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities. The fair value of quoted equity instruments classified as fair value through Other Comprehensive Income as at March 31, 2018 is ₹ 49,943.85 lakhs (March 31, 2017: ₹24,597.74 lakhs and April 01, 2016: ₹ 10,769.77 lakhs).	In order to manage its price risk arising from investments in equity instruments, the Company maintains its portfolio in accordance with the framework set by the Risk Management policies. Any new investment or divestment must be approved by the Board of Directors, Chief Financial Officer and Risk Management Committee.	As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the Company has calculated the impact as follows: For equity instruments, a 5% increase in Sensex prices would have led to approximately an additional ₹ 2,497.18 lakhs gain (March 31, 2017 ₹ 1,410.06 lakhs). A 5% decrease in Sensex prices would have led to an equal but opposite effect.
ii) Interest rate risk		
Financial liabilities		
The Company is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings. As at March 31, 2018, the exposure to interest rate risk due to variable interest rate borrowings amounted to ₹ 23,359.76 lakhs (March 31, 2017: ₹ 25,037.67 lakhs and April 01, 2016: ₹ 23,049.57 lakhs)	The Company monitors fluctuations in interest rate continuously and has laid policies and guidelines including to minimise impact of interest rate risk.	As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 25 bps change in interest rates. A 25 bps increase in interest rates would have led to approximately an additional loss ₹ 55.91 lakhs (March 31, 2017: ₹ 48.88 lakhs) A 25 bps decrease in interest rates would have led to an equal but opposite effect.
iii) Commodity risk		
Commodities form a major part of the raw materials required for Company's products portfolio and hence commodity price risk is one of the important market risk for the Company. The commodities are priced using pricing benchmarks and commodity derivatives are priced using exchange-traded pricing benchmarks.	The Company has a robust framework and governance mechanism in place to ensure that the organisation is adequately protected from the market volatility in terms of price and availability. Company has managed the commodity risk with appropriate hedging activities in accordance with policies of the Company. The aim of the Company's approach to manage commodity risk is to leave the Company with the no material residual risk. The Company uses future contracts to hedge against its commodity exposures relating to cotton which is its most widely used raw material.	As an estimation of the approximate impact of the residual risk, with respect to commodity futures, the Company has calculated the impact of a 5% change in futures rates. A 5% strengthening of the respective futures would result Nil impact on profit and equity. This analysis assumes that all other variables remain constant. A 5% weakening of the futures would have led to an equal but opposite effect.

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(All amounts in ₹ Lakhs, unless stated otherwise)

iv) Foreign exchange risk		
The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised Financial assets and liabilities denominated in a currency that is not the functional currency (INR) of the Company. The risk also includes highly probable foreign currency cash flows.	The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD, EURO, GBP and AED The aim of the Company's approach is to manage the currency risk and to leave the Company with no material residual risk. This aim has been achieved in all years presented. The Company manages currency exposures within prescribed limits, through use of forward exchange contracts. Foreign exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.	As an estimation of the approximate impact of the foreign exchange rate risk, with respect to Financial Statements, the Company has calculated the following: For derivative and non-derivative financial instruments, a 5% increase in the spot price as on the reporting date would result in increase in profit and equity as of ₹ 162.39 lakhs (March 31, 2017: gain of ₹ 134.67 lakhs). A 5% decrease would have led to an equal but opposite effect.

Foreign currency risk exposure:

The details of forward contracts outstanding as at the balance sheet date are as follows:

	As at March 31, 2018	As at March 31, 2017
Import contracts		
USD	-	65,025
Export contracts		
USD	**1,800,000**	69,700

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

As at 31st March, 2018		As at 31st March, 2017	
Receivable/ Payable	**Receivable/ Payable in Foreign currency**	Receivable/ Payable	Receivable/ Payable in Foreign currency
Rupees in lakhs	**(Amount in Foreign currency) (in lakhs)**	Rupees in lakhs	(Amount in Foreign currency) (in lakhs)
Receivable		Receivable	
2573.68	**USD 39.71**	2883.43	USD 44.47
11.96	**AED 0.71**	1.09	AED 0.0615
33.44	**EURO 0.41**		
0.25	**GBP 0.0027**		
Payable		Payable	
543.61	**USD 8.36**	143.10	USD 2.21
4.08	**EURO 0.05**	7.97	EURO 0.11
		43.68	GBP 0.54

(C) Management of credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large, diverse and across sectors and countries. All trade receivables are reviewed and assessed for default on a quarterly basis.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant increase in credit risk on other financial instruments of the same counterparty,

Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low. As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. After the analysis of ageing of debtors, the Company has concluded that the existing amount of provision in the books is sufficient to cover any doubtful debt/s arising in future. As a result, no allowance for doubtful debts has been recognised by application of expected credit loss model for any of the years considered above.

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks. The Company has a diversified portfolio of investment with various number of counterparties which have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the treasury department of the Company.

Financial assests are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the Statement of Profit and Loss.

Note 39 - Capital Management

(a) Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents and other bank balances. Total capital is calculated as 'equity' as shown in the balance sheet.

Description	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Total Borrowings	**19,801.64**	23,602.78	12,872.08
Total Equity	**79,840.46**	58,951.17	46,840.72
Net Debt to equity ratio	**0.25**	0.40	0.27

(b) Dividends

	Year ended March 31, 2018	Year ended March 31, 2017
Equity shares		
Final dividend for the year ended March 31, 2017 ₹ 2 per fully paid share (As on March 31, 2016 ₹ 3 per fully paid share)	**278.26**	417.39
Dividend Distribution Tax on final dividend	**56.64**	84.97

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 40 - Employee benefit obligations

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Compensated Absences	**682.15**	636.50	619.35
Gratuity	**205.19**	202.91	126.44
Total	**887.34**	**839.41**	**745.79**

(i) Compensated Absences

The employees of the Company are entitled to compensated absences as per the policy of the Company. The entire amount of the provision of compensated absences is presented as current, since the Company does not have an unconditional right to defer settlement for the obligation. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current leave obligations not expected to be settled within the next 12 months	**471.58**	452.65	479.43

(ii) Post employment obligations

(a) Defined Contribution Plans Need:

The Company contributes towards Employees State Insurance Scheme, Family Pension Fund, Superannuation Fund and Provident Fund for certain employees. The contributions are normally based on a certain proportion of the employee's salary. During the year the Company has recognised contribution to these funds aggregating to ₹ 755.84 lakhs (March 31, 2017- ₹ 855.32 lakhs).

(b) Defined Benefit Plans:

Gratuity

The Company provides for gratuity for employees as per the Company policy. The amount of gratuity payable on retirement/ termination is payable to the employees based on last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.The Company has established Fund to which the Company makes contribution for certain employees whereas for some other employees the Company makes contribution to a trust maintained by Life Insurance Corpopration ('LIC') of India.The contributions are made to a gratuity based upon actuarial valuation done at the year end of every financial year using "Projected Unit Credit" method. The charge on account of provision for gratuity has been included in 'Employee Benefits Expense' in the Statement of Profit and Loss except remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability which are recognised in other comprehensive income.

Provident fund

In respect of certain employees, provident fund contributions are made to a separately administered trust. Such contribution to the provident fund are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the guaranteed specified interest rate, the same is provided for by the Company. The actuary has provided an actuarial valuation and the interest shortfall liability, if any, has been provided in the books of accounts after considering the assets available with the provident fund trust.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

GRATUITY

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 01, 2016	3,155.22	3,028.78	126.44
Interest Expense / (Income)	246.91	236.94	9.97
Current Service Cost	176.15	-	176.15
Total Amount Recognised in the Statement of Profit and Loss	**423.06**	**236.94**	**186.12**
Remeasurements			-
Return on plan assets, excluding amount included in interest expense/(income)	-	(17.64)	17.64
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	65.99	-	65.99
Experience (gains)/losses	(59.96)	-	(59.96)
Total Amount Recognised in Other Comprehensive Income	**6.03**	**(17.64)**	**23.67**
Employer Contributions	-	133.32	(133.32)
Benefit Payments	(609.24)	(609.24)	-
Balance as on March 31, 2017	**2,975.07**	**2,772.16**	**202.91**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As on April 1, 2017	2,975.07	2,772.16	202.91
Interest Expense/(Income)	223.83	208.53	15.30
Current Service Cost	174.68	-	174.68
Past Service Cost	16.51		16.51
Total Amount Recognised in Profit and Loss	**415.02**	**208.53**	**206.49**
Remeasurements			-
Return on plan assets, excluding amount included in interest expense/(income)	-	31.15	(31.15)
(Gain)/loss from change in demographic assumptions / acturial gains / losses	-	-	-
(Gain)/loss from change in financial assumptions	(65.70)	-	(65.70)
Experience (gains)/losses	47.31	-	47.31
Total Amount Recognised in Other Comprehensive Income	**(18.39)**	**31.15**	**(49.54)**
Employer Contributions	-	154.67	(154.67)
Benefit Payments	(267.94)	(267.94)	-
Balance as on March 31, 2018	**3,103.76**	**2,898.57**	**205.19**

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

PROVIDENT FUND

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 01, 2016	1,865.57	1,998.02	(132.45)
Interest Expense/(Income)	156.99	156.99	-
Current Service Cost	130.01	-	130.01
Employee Contributions	168.26	298.27	(130.01)
Liabilities transferred in	68.57	68.57	-
Benefit Payments	(206.41)	(206.41)	-
Acturial gain/ (loss)	-	10.97	(10.97)
Balance as on March 31, 2017 *	**2,182.99**	**2,326.41**	**(143.42)**

Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 01, 2017	2,182.99	2,326.41	(143.42)
Interest Expense/(Income)	166.52	166.52	-
Current Service Cost	137.18	-	137.18
Employee Contributions	178.14	315.32	(137.18)
Liabilities transferred in	48.98	48.98	-
(Liabilities transferred out)	-	-	-
Benefit Payments	(443.93)	(443.93)	-
Acturial gain/ (loss)	-	(5.01)	5.01
Balance as on March 31, 2018 *	**2,269.88**	**2,408.29**	**(138.41)**

* Excess of the asset over liability is not recognised in the financials

Follwing tables shows breakdown of the defined benefit obligations and plan assets :

GRATUITY

Particulars	**31st March 2018**	31st March 2017	1st April 2016
Present Value of Obligations	**3103.77**	2975.08	3155.22
Fair Value of Plan Assets	**2898.57**	2772.16	3028.78
Net (asset) / Liability	**205.20**	**202.92**	**126.44**

PROVIDENT FUND

Particulars	**31st March 2018**	31st March 2017	1st April 2016
Present Value of Obligations	**2269.87**	2182.99	1865.57
Fair Value of Plan Assets	**2408.28**	2326.41	1998.02
Net (asset) Liability*	**(138.41)**	**(143.42)**	**(132.45)**

* Excess of the asset or liability is not recognised in the financials

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Discount Rate / Return on plan assets			
Gratuity	**7.82%-7.87%**	7.51%- 7.57%	7.81%-7.95%
Guaranted Return			
Provident fund	**8.65%**	8.65%	8.80%
Rate of salary increase			
Gratuity	**4.00%**	4.00%	4.00%
Rate of employee turnover			
Gratuity	**2.00%**	2.00%	2.00%
Mortality rate during employment	**Indian assured lives mortality (2006-08)**	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)

Sensitivity Analysis

The sensitivity of the defined benefit obligation to increase and decrease in the the weighted principal assumptions by 0.50% is as below:

Particulars	Impact on defined benefit obligation			
	Increase in assumptions		Decrease in assumptions	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Discount Rate / Return on plan assets				
Gratuity	**(101.76)**	(100.59)	**108.51**	107.33
Rate of salary increase				
Gratuity	**112.01**	110.54	**(105.80)**	(104.38)
Rate of employee turnover				
Gratuity	**33.42**	29.67	**(35.32)**	(31.37)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iii) The major categories of plans assets are as follows:

The plan asset for the funded gratuity plan is administered by Life Insurance Corporation of India ('LIC') and Trust managed by the Fund as per the investment pattern stipulated for Pension and Group Schemes fund by Insurance Regulatory and Development Authority regulations i.e. 100% of plan assets are invested in insurer managed fund. Quoted price of the same is not available in active market.

(iv) Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Demographic Risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. 100% of the plan asset investments is in insurer managed funds. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level.

Salary Inflation Risk : Higher than expected increases in salary will increase the defined benefit obligation

Interest-Rate Risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(v) Defined Benefit Liability and Employer Contributions

Expected contributions to post-employment benefit plans for the year ending 31 March 2019 are ₹873.68lakhs.

The weighted average duration of the defined benefit obligation is 7-11 years (2017 - 7-11 years). The expected maturity analysis of undiscounted gratuity is as follows:

Maturity Analysis of the Projected Benefit Obligations - Gratuity

Particulars	**As at March 31, 2018**	As at March 31, 2017
1st Following Year	**400.94**	316.28
2nd Following Year	**220.56**	215.84
3rd Following Year	**308.12**	283.34
4th Following Year	**276.42**	286.02
5th following year	**286.72**	269.80
Sum of 6th to 10th Following Year	**1,456.22**	1,373.37

Note 41 - Related party transactions

I Name of related parties and nature of relationship:

A) Subsidiary Company

Mafatlal Services Limited

B) Key Management Personnel

H. A. Mafatlal (Executive Chairman)
Aniruddha Deshumkh (Managing Director & CEO)
Priyavrata H. Mafatlal (Executive Director) (with effect from November 1, 2016) (Son of H. A. Mafatlal)
Atul K. Srivastava (Non Executive Non Independent Director)
Vilas R. Gupte (Non Executive Independent Director)
Pradip N. Kapadia (Non Executive Independent Director)
Latika P. Pradhan (Non Executive Independent Director)
Gautam G. Chakravrti (Non Executive Independent Director)
Sujal A. Shah (Non Executive Independent Director)
Praful R. Amin (Non Executive Independent Director) (till August 11, 2016)
Vishad P. Mafatlal (Executive Director) (till August 19, 2016)

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

C) Individual having significant influence

H. A. Mafatlal

D) Relatives of Individual having significant influence

Priyavrata H. Mafatlal (till October 31, 2016) [Son of H. A. Mafatlal]

E) Enterprises over which key management personnel and their relatives are able to exercise significant influence

NOCIL Limited

Navin Fluorine International Limited (till August 19, 2016)

Sulakshana Securities Limited (till August 19, 2016)

Mafatlal Impex Private Limited (till August 19, 2016)

Mafatlal Fabrics Private Limited (till August 19, 2016)

Arvi Associates Private Limited

Gayatri Pestichem Manufacturing Private Limited

F) 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

Silvia Apparel Limited

Mafatlal Global Apparel Limited

Altamount Product and Services Private Limited

G) Post employment benefit plan

The Mafatlal Gagalbhai & Sons and the Associate Concerns Officers' Superanuation Scheme

Mafatlal industries Ltd - Empolyees' Gratuity Fund

Mafatlal Industries Limited - Employees' Provident Fund

Mafatlal Denim Limited - Employees' Provident Fund

Mafatlal Denim Limited - Employees' Superannuation Fund

II Transactions with related parties

The following transactions occurred with related parties:

A) Key Management personnel compensation

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Directors Remuneration		
Short-term employee benefits		
Aniruddha Deshumkh (Managing Director & CEO)	**251.14**	228.83
Priyavrata H. Mafatlal (with effect from November 1, 2016) [Son of H. A. Mafatlal]	**61.76**	44.54
Vishad P. Mafatlal (till August 19, 2016)	**-**	149.86
Post-employment benefits (Refer Note 1 below)	*	*
Long-term employee benefits (Refer Note 1 below)	*	*
Employee share-based payment	**-**	-
Directors' sitting fees		
Latika Pradhan	**10.50**	4.20
Atul K. Srivastava	**7.35**	3.85
H. A. Mafatlal	**-**	1.75

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Pradip N. Kapadia	9.80	5.25
Praful R. Amin	-	2.45
Gautam G. Chakravarti	11.55	4.90
Sujal A. Shah	10.50	5.25
Vilas R. Gupte	12.25	4.55
Total compensation	**374.85**	**455.43**

B) Details of transactions with Related Parties during the year

	Nature of transaction	Year ended March 31, 2018	Year ended March 31, 2017
(i)	**Sale of Goods & Services**		
	Navin Fluorine International Limited (Refer Note 2 below)	-	0.49
	Suremi Trading Private Limited	0.14	0.74
(ii)	**Other Operation Revenues**		
	Sulakshana Securities Limited (Refer Note 2 below)	-	16.06
	NOCIL Limited	10.41	13.69
	Navin Fluorine International Limited (Refer Note 2 below)	-	47.68
(iii)	**Dividend Income**		
	NOCIL Ltd	468.14	276.43
	Navin Fluorine International Limited (Refer Note 2 below)	-	42.80
(iv)	**Receiving of Services (Expense)**		
	Mafatlal Services Limited	9.11	79.67
(v)	**Lease & Licience Fees**		
	Arvi Associates Private Ltd	0.38	-
	Gayatri Pestichem Manufacturing Private Limited	0.03	-
(vi)	**Payment for Post employment benefit plan**		
	The Mafatlal Gagalbhai & Sons and the associate concerns officers' superanuation scheme	81.89	106.32
	Mafatlal industries Limited Employee's gratuity fund	97.67	53.57
	Mafatlal Industries Limited Employee's Provident Fund	309.22	291.52
	Mafatlal Denim Limited Employee's Provident Fund	6.19	6.70
	Mafatlal Denim Limited Employee's Superannuation Fund	30.04	64.06
(vii)	**Remuneration**		
	Priyavrata H. Mafatlal (till October 31, 2016) [Son of H. A. Mafatlal]	-	27.56

	Nature of transaction	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(viii)	**Amount due from**			
	Trade and other receivables:			
	Mafatlal Global Apparel Limited (Trade Receivable)	-	-	273.64
	NOCIL Limited	0.82	-	-
	Sukarma Investments Private Limited	-	95.87	95.87
	Suremi Trading Private Limited	-	84.76	84.76
	Navin Fluorine International Limited (Refer Note 2 below)	-	7.27	6.66

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

	Nature of transaction	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Sulakshana Securities Ltd (Refer Note 2 below)	-	14.52	-
	Mafatlal Fabrics Private Limited	-	-	0.20
	Mafatlal Impex Private Limited (Refer Note 2 below)	-	-	155.56
	Arvi Associates Private Ltd	**0.38**	-	-
	Gayatri Pestichem Manufacturing Private Limited	**0.03**	-	-
(ix)	**Amount due to**			
	Trade and other payables:			
	Mafatlal Services Limited	**1.35**	2.59	1.80

Notes:

1) *Compensation exclude provision for gratuity, provident fund and compensated absences since these are based on actuarial valuation on an overall company basis.*

2) *Navin Fluorine International Ltd., Mafatlal Impex Pvt. Ltd. and Sulakshana Securities Ltd are considered to be related parties only till August 19, 2016.*

Terms and conditions

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

Note 42 - Contingent liabilities and contingent assets

(a) Contingent liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Income Tax Matters	**2,522.31**	2,714.99	2,617.89
Central excise and related matters	**528.70**	404.23	2,624.24
Central excise and service tax matters	**2,960.55**	2,960.55	2,960.55
Other Commercial matters	**49.83**	24.84	24.84
Labour Law matters	**347.62**	608.70	1,376.32
Director General of Foreign Trade matters	**4.79**	4.79	4.79
Total	**6,413.80**	**6,718.10**	**9,608.63**

(b) 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 demand for ₹ 2,696.98 lakhs (Previous year ₹ 2,696.98 lakhs) for the period from 2004-07 and 2008-10 has been raised by Brihanmumbai Mahanagarpalika ('BMC') towards Property Taxes in respect of the properties owned by various owners for the respective floors. 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.

In case of Mafatlal Chambers:
A demand for ₹ 792.46 lakhs (Previous year ₹ 792.46 lakhs) for the period 2000-05 has been raised by Brihanmumbai Mahanagarpalika ('BMC') towards Property Taxes in respect of the properties owned by the Company at the relevant time. The said demand has been disputed by the Company. As per the directions given by the Honourable Bombay High Court, the BMC has granted hearing to the Company and the final outcome is awaited.

(c) It is not practicable for the Company to estimate the timing of cash flows, if any, in respect of the above pending resolution of the respective proceedings.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

(d) The Company does not expect any reimbursement in respect of the above contingent liabilities.

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Letter of comfort given on behalf of Ibiza Industries Limited (under liquidation since 2007) not considered as Guarantee on legal advice.	**-**	850.28	850.28

Note 43 - Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Estimated value of contracts on capital account remaining to be executed			
Tangible assets	**43.39**	183.77	5,303.48

(b) Non-cancellable operating leases

<u>As a lessor</u>

The Company has entered into non cancellable operating lease arrangements for certain office premises. The tenure of such agreements ranges from eleven to sixty months.

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
Within one year	**181.44**	514.85	444.52
Later than one year but not later than five years	**14.48**	1,027.23	1,242.43
	195.92	**1,542.08**	**1,686.95**

<u>As a 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 5 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.

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
Within one year	**191.55**	315.29	316.43
Later than one year but not later than five years	**229.67**	908.37	1,236.23
	421.22	**1,223.66**	**1,552.66**

Rental expense relating to operating leases

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Total rental expense relating to operating leases*	**334.05**	360.69	338.19

* Refer Note 34 to statement of Profit and Loss.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 44 - Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM consists of Chairman, CEO & MD and Executive Director who are responsible for allocating resources and assessing performance of the operating segments. The Company operates only in one Business Segment i.e. textile business segment, hence does not have any reportable segments as per Indian Accounting Standard 108 "Operating Segments".

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Within India	**Outside India**	Within India	Outside India
Revenue from Operations	**97,839.83**	**18,920.21**	108,090.82	15,794.41

Segment Assets

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Within India	**Outside India**	Within India	Outside India	Within India	Outside India
Non-current assets excluding financial assets, Deferred tax assets and Income tax assets	**30,962.62**	**-**	33,192.56	-	26,415.25	-

The Company does not have revenue of more than 10% from a single customer.

Note 45 - Earnings per share

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Basic and Diluted (Loss) / Earnings Per Share		
(Loss) / Profit After Taxation	**(4,177.82)**	412.40
Weighted average number of shares for Basic and Diluted EPS (Nos.)	**13,912,886**	13,912,886
Nominal Value of shares outstanding	**10**	10
Basic and Diluted (Loss) / Earnings Per Share	**(30.03)**	2.96
Weighted average number of shares used as the denominator		
Opening Balance	**13,912,886**	13,912,886
Issued during the year	**-**	-
Weighted average number of shares used as the denominator for calculating basic and diluted earnings per share	**13,912,886**	13,912,886

Note 46 - Government Grant

Export Promotion Capital Goods (EPCG): This scheme allows import of certain capital goods including spares at zero duty subject to an export obligation for the duty saved on such capital goods. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as a Capital Grant as stated in the Accounting policy on Government Grant (Refer note 2).

Technology Upgradation Fund Scheme (TUFS): The Company is entitled to subsidy, on its investment in the property plant and equipment, on fulfilment of the conditions stated in those Scheme. Under Duty drawback scheme, the Company receives certain percentage of export proceeds as a duty drawback from custom authorities on export of products. Under incremental incentive scheme, company receives scrips for incremental exports. These subsidies being Government Grant with primary condition as export of products are accounted as a Revenue Grant as stated in the Accounting policy on Government Grant (Refer note 2).

The Government Grant above represents unamortised amount of the subsidy referred to below, with the corresponding adjustment to the carrying amount of property, plant and equipment (Refer note 3).

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	3,667.69	2,491.60
Grants during the year	-	1,768.42
Less: Released to Statement of Profit and Loss (Note 28(a))	(511.06)	(592.33)
Closing balance	**3,156.63**	**3,667.69**

Description	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current portion	500.72	504.98	455.73
Non-current portion	2,655.91	3,162.71	2,035.87
Total	**3,156.63**	**3,667.69**	**2,491.60**

Note 47 - Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current				
Financial Assets				
First and Second Charge				
Inventories	10	16,267.05	17,208.55	14,488.25
Trade receivables	12	28,306.41	28,727.94	31,866.22
Total Current assets pledged as security		**44,573.46**	**45,936.49**	**46,354.47**
Non-Current				
Land	3	8.57	8.57	8.57
Building	3	2,448.86	2,448.42	2,445.69
Plant & Machinery	3	22,646.55	24,777.08	20,386.35
Investment Property	4	218.54	219.06	219.58
Vehicles	3	235.67	248.95	311.18
Investment	6	13,656.01	8,011.66	3,935.40
Others Assets	14	40.98	-	-
Total Non-Current assets pledged as security		**39,255.18**	**35,713.74**	**27,306.77**
Total assets pledged as security		**83,828.64**	**81,650.23**	**73,661.24**

Note 48 - First-time adoption of Ind AS

These are the Company's first standalone financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act ("previous GAAP"). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

A. Exemptions and exceptions availed

In preparing these Ind AS financial statements, the Company has availed certain optional exemptions and mandatory exceptions in accordance with Ind AS 101 from previous GAAP to Ind AS, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its previous GAAP financial statements as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

A.1 Ind AS optional exemptions

(a) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

(b) Investments in subsidiaries, associates and joint ventures

Ind AS 101 permits a first time adopter to measure it's investment, at the date of transition, at cost determined in accordance with Ind AS 27, ' Separate Financial Statements' or deemed cost. The deemed cost of such investment shall be it's fair value at the Company's date of transition to Ind AS, or previous GAAP carrying amount at that date. The Company has elected to measure its investment in subsidiary at the previous GAAP carrying amount as its deemed cost on the transition date.

(c) Deemed cost for property plant and equipment, intangible assets and investment properties

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets' and investment properties covered by Ind AS 40 'Investment Property'. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment properties at their previous GAAP carrying value.

(d) Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity shares.

A.2. Ind AS mandatory exceptions

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVPL or FVOCI;
- Impairment of financial assets based on expected credit loss model;
- Fair Value of investment properties;
- Asset held for sale

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

(b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Consequently the Company has appplied the above assessment based on facts and circumstances exisiting on the transition date.

(c) Derecognition of Financial Assets and Financial Liabilities:

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following reconciliations provide the explanations and quantification of the differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

A. Reconciliation of Equity as at April 01, 2016 and March 31, 2017;

B. Reconciliation of Statement of Total Comprehensive Income for the year ended March 31, 2017; and

C. The impact on cash flows from operating, investing and financing activities for the year March 31, 2017.

Reconciliation of total equity as at April 01, 2016 and March 31, 2017:

Description	Notes to first time adoption	April 01, 2016	March 31, 2017
Total equity (shareholders' funds) as per previous GAAP		37,755.08	37,540.55
Adjustments:			
Proposed dividend and dividend distribution tax	1	502.36	-
Fair valuation of Investments	3	9,401.61	22,260.89
Deferred revenue on government grant	4	4,113.25	4,705.58
Depreciation on government grant	4	(4,102.21)	(4,650.87)
Others	13	(832.31)	(901.95)
Deferred tax impact in respect of Ind AS adjustments	6	2.94	(3.03)
Total adjustments		9,085.64	21,410.62
Total equity as per Ind AS		**46,840.72**	**58,951.17**

Reconciliation of total comprehensive income for the year ended March 31, 2017:

Description	Notes to first time adoption	March 31, 2017
Profit after tax as per previous GAAP		(214.53)
Adjustments:		
Net impact on Investment-Fair Value Option through P&L	3	643.39
Deferred revenue on government grant	4	592.33
Depreciation on government grant	4	(548.66)
Acturial (Loss) / Gain on Defined Benefit Plans considered under Other Comprehensive Income	5	23.67

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Description	Notes to first time adoption	March 31, 2017
Others	13	(69.64)
Deferred tax impact in respect of Ind AS adjustments	6	(14.16)
Total adjustments		626.93
Profit after tax as per Ind AS		412.40
Other comprehensive income		12,200.41
Total comprehensive income as per Ind AS		12,612.81

Cash Flow Reconciliation

Description	Notes	GAAP	Adjustments	Ind.AS
Net cash from operating activities		1,851.89	6,942.10	8,793.99
Net cash from investing activities		(564.82)	(6,703.85)	(7,268.67)
Net cash from financing activities		(1,110.56)	(10.79)	(1,121.35)
Net increase / decrease in cash equivalents		176.51	227.46	403.97
Cash and cash equivalents as at April 01, 2016	13	574.31	-	574.31
Cash and cash equivalents as at March 31, 2017	13	750.82	227.46	978.28

Notes to first time adoption:

The following explains the material adjustments made while transition from previous accounting standards to Ind AS:

Note 1:- Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of ₹ 502.36 lakhs as at April 01, 2016 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 2:- Trade Receivables

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. After the analysis of ageing of debtors, the Company has concluded that the existing amount of provision in the books is sufficient to cover any doubtful debt / s arising in future. As a result, no allowance for doubtful debts has been recognised by application of expected credit loss model for any of the years considered above.

Note 3:- Fair Valuation of Investments

Under the previous GAAP, investments in equity instruments and bonds instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the Profit or Loss for the year ended March 31, 2017. This increased the retained earnings by ₹ 706.20 lakhs as at March 31, 2017 (April 01, 2016 - ₹ 2,540.48 Lakhs). Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in other comprehensive income as at the date of transition and subsequently in the other comprehensive income for the year ended March 31 2017. This increased other reserves by ₹12,215.89 lakhs as at March 31, 2017 (April 01, 2016 - ₹ 6,861.00 Lakhs). Consequent to the above, the total equity as at March 31, 2017 increased by ₹ 12,922.09 Lakhs (April 01,2016 - ₹ 9,401.48 Lakhs).

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 4:- Deferred Government Grant

As stated above, on transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment. However, in view of the Ind AS Transition Facilitation Company (ITFG) clarification bulletin dated April 17, 2017 (ITFG – 5 (Revised)), the deemed cost of property, plant and equipment as at the transition date has been increased by ₹ 2,678.52 lakhs as at March 31, 2017 (April 01, 2016- ₹ 2,116.42 lakhs) being the unamortised EPCG scheme with corresponding increase in other non-current liabilities / other current liabilities as on the date of the transition. Government Grant recognised under EPCG scheme and TUFS capital subsidy has been apportioned equivalent to the depreciation on EPCG and TUFS capital subsidy (Refer Note 47). The Company has provided incremental depreciation to the extent of ₹ 4,650.87 lakhs for the year ended March 31, 2017 (₹ 4,102.21 lakhs April 01, 2016) on the government grant.

Note 5: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. acturial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of Statement of Profit and Loss under the previous GAAP. Consequently, the Loss for the year ended March 31, 2017 increased by ₹ 23.67 lakhs. There is no impact on the total equity and Loss.

Note 6:-Deferred Tax

Under previous GAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS approach has resulted in recognition of deferred taxes on temporary differences which were not recorded under previous GAAP. Further, the various transitional adjustments have led deferred tax implication which the Company has accounted for Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or other comprehensive income, on the date of transition.

Note 7:- Cash discount on purchases

Under previous GAAP, cash discount on purchases were classified under 'Other Income'. However, as per Ind AS, it is shown as reductions from Cost of materials consumed. Accordingly, cash discount of ₹ 3.01 Lakhs have been reclassified from other income and shown as reduction from cost of materials consumed. There is no impact on the total equity and loss.

Note 8:- Discounts and incentives to customers

Company runs various promotional programmes for its customers. The fair value of those discounts / incentives given to the customers and has reduced it from the total sales consideration to record revenue on net basis. This change has resulted in a decrease in total revenue and decrease in total expenses for the year ended March 31, 2017 by ₹ 975.07 Lakhs. There is no impact on the total equity and Loss.

Note 9:- Bill Discounting, Acceptances and Supplier Credit

Under previous IGAAP, bill discounting is netted against debtors. However, as per Ind AS based on criteria of derecognition of assets, the bill discounting is to be shown as separate liability under borrowings without netting of debtors. Further, acceptance and suppliers' credit is shown in the borrowings instead of trade payable. There is no impact on the total equity and Loss.

Note 10:- Investment Property

Under the previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit / loss as a result of this adjustment.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 11:- Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes remeasurements of defined benefit plans and fair value gains or losses on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

Note 12:- Retained Earnings:

Retained earnings as at April 01, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

Note 13:- Others:

Others mainly comprises of:-

(a) Inventory- Under Indian GAAP, the Company was using different techniques for measurement of cost of similar inventories at various locations. However as per Ind AS-2, an entity shall use the same cost formula for all inventories having a similar nature and use to the entity. For inventories with a different nature or use, different costs formulas may be justified. Accordingly the Company has applied the same formula for valuation of inventory where there is similar nature or use of inventory and aligned the valuation method used in various division. The effect of the same for both the years are considered in total equity as on March 31, 2017 and April 01, 2016 and under Total Comprehensive Income for the year ended March 31, 2017;

(b) Impact of transaction costs in respect of borrowings to be deducted from the carrying amount of borrowings on initial recognition and are recognized in the Statement of Profit and Loss over the tenure of the borrowings as the part of the interest expense by applying the effective interest rate method; and

(c) Impact of foreign exchange forward contracts which are marked to market as at each Balance sheet date.

Note 14:- As required under paragraph (10C) of Ind AS 101, the Company has reclassified items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind AS.

Note 49

(i) As legally advised, the Company has not recognized as income recovery of rent and other charges of ₹83.61 lakhs upto 31st March, 2018 (₹ 83.61 lakhs upto 31st March, 2017) pending final resolution of legal dispute with certain ex-tenants of a property in South Mumbai. At present, the legal dispute is pending with the Hon'ble Bombay High Court. A sum of ₹ 577.89 lakhs (Net) was withdrawn by the Company in accordance with the Orders passed by the Hon'ble High Court of Bombay on the Civil Revision Applications filed by the ex-tenants and the said amount of ₹ 577.89 lakhs has been included in other current / non-current liabilities.

(ii) In an 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.

(iii) 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 lakh. 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 lakh from NFIL on behalf of the shareholders, which is pending disbursement upon completion of formalities.

(iv) As reported earlier, Writ Petition No.2982 of 2016 filed by the Company (along with Notice of Motion taken out therein) in the Hon'ble Bombay High Court, inter alia, challenging the illegal handing over of a part of land at Mazagaon (Reserved Land) by the Collector to Municipal Corporation of Greater Mumbai, which is required to be surrendered by the Company in lieu of eligibility of Non-cash Compensation, is pending. Status quo Orders are continuing in respect of the said Reserved Land and accordingly the

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Company continues to remain in possession of the said Reserved Land.

Note 50 - Disclosures of Specified Bank Notes ('SBN')

The Ministry of Corporate Affairs ('MCA') in its' notification dated 30th March 2017 amended Schedule III to the Companies Act, 2013 requiring Companies to provide the following disclosure in the financial statement in respect of Specified Bank Notes ('SBN') held and transacted during the period 8th November, 2016 to 30th December, 2016:

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 8th November, 2016	8.63	17.50	26.13
(+) Permitted Receipts	0.02	75.70	75.72
(-) Permitted Payments	5.00	75.48	80.48
(-) Amount Deposited in Banks	3.65	1.15	4.80
Closing Cash in Hand as on 30th December, 2016	-	16.57	16.57

Note 51 - Others

Export Promotion Capital Goods (EPCG) scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant.

In terms of our report attached.
For Price Waterhouse Chartered Accountants LLP
Registration No.012754N / N500016

Priyanshu Gundana
Partner
Membership No. 109553

Mumbai, May 3, 2018

For and on behalf of the Board of Directors
H. A. Mafatlal
Chairman
(DIN:00009872)

P. H. Mafatlal
Executive Director
(DIN:02433237)

Aniruddha Deshmukh
Managing Director &
Chief Executive Officer
(DIN:01389267)

Directors
V. R. Gupte (DIN:00011330)
A. K. Srivastava (DIN:00046776)
P. N. Kapadia (DIN:00078673)
G. G. Chakravarti (DIN:00004399)
S. A. Shah (DIN:00058019)
L. P. Pradhan (DIN:07118801)

Ashish A. Karanji
Company Secretary

Milan Shah
Chief Financial Officer

Mumbai, May 3, 2018

INDEPENDENT AUDITORS' REPORT

To the Members of Mafatlal Industries Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Mafatlal Industries Limited ("hereinafter referred to as the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"); (refer Note 2(b) to the attached consolidated Ind AS financial statements), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate 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, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 consolidated state of affairs of the Group as at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated loss and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matter

8. We did not audit the Ind AS financial statement of the subsidiary company – Mafatlal Services Limited, whose financial statements reflect total assets of Rs 46.89 lakhs and net assets of Rs. 39.13 lakhs as at March 31, 2018, total revenue of Rs. 23.15 lakhs and total comprehensive income (comprising of profit and other comprehensive income) of Nil for the year ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiary company, is based solely on the reports of the other auditors.

   Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not qualified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

9. The comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory consolidated financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor, who expressed an unmodified opinion vide reports dated May 5, 2017 and May 2, 2016 respectively. The adjustments to those consolidated financial statements for the differences in accounting principles adopted by the Group on transition to the Ind AS have been audited by us. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by Section143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS financial statements.

    (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiary included in the Group, incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiary included in the Group, including relevant records relating to the preparation of the consolidated Ind AS financial statements.

    (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

    (g) With respect to the other matters to be included in the Auditors' 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:

        i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the Holding Company and its subsidiary – Refer Note 42 and 49 to the consolidated Ind AS financial statements.

        ii. The Group has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Group did not have any long term derivative contracts as at March 31, 2018.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary company incorporated in India during the year ended March 31, 2018.

        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2018

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N-500016

Priyanshu Gundana
Partner
Membership Number: 109553

Mumbai
Date: May 3, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Mafatlal Industries Limited on the consolidated Ind AS financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Mafatlal Industries Limited (hereinafter referred to as "the Holding Company") Company which are companies incorporated in India, as of that date. Reporting under Clause (i) of sub-section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is not applicable to the subsidiary company incorporated in India, pursuant to MCA notification GSR 583(E) dated 13th June, 2017.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

   (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N-500016

Priyanshu Gundana
Partner
Membership Number: 109553

Mumbai
Date: May 3, 2018

Consolidated Balance Sheet as at March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

	Note	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	**29,096.01**	31,474.39	23,224.57
Capital work-in-progress		**657.64**	388.09	907.10
Investment properties	4	**258.59**	262.47	266.35
Intangible assets	5	**440.84**	62.07	68.69
Intangible assets under development		**-**	384.95	8.80
Financial assets				
i. Investments	6	**50,160.68**	24,809.33	14,122.35
ii. Trade receivables	12(a)	**33.20**	33.20	33.20
iii. Loans	7	**722.40**	1,080.54	514.25
iv. Other financial assets	8	**1,835.93**	1,990.76	2,025.28
Deferred tax assets (Net)	35(d)	**1,227.96**	1,227.96	756.77
Other non-current assets	9	**482.04**	593.09	1,912.24
Income tax asset (Net)	35(g)	**1,770.86**	2,161.61	1,834.45
Total non-current assets		**86,686.15**	**64,468.46**	**45,674.05**
Current assets				
Inventories	10	**16,267.05**	17,208.55	14,488.25
Financial assets				
i. Investments	11	**-**	3,603.42	-
ii. Trade receivables	12(b)	**28,618.99**	28,854.10	31,961.22
iii. Cash and cash equivalents	13	**1,915.02**	981.24	577.52
iv. Bank balances other than (iii) above	14	**1,652.05**	463.61	9,610.18
v. Loans	15	**9.17**	13.07	11.42
vi. Other financial assets	16	**328.01**	327.47	280.78
Other current assets	17	**3,686.44**	3,899.09	1,916.12
Total current assets		**52,476.73**	**55,350.55**	**58,845.49**
TOTAL ASSETS		**139,162.88**	**119,819.01**	**104,519.54**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	18(a)	**1,391.22**	1,391.22	1,391.22
Other equity	18(b)			
Reserves and surplus		**34,027.74**	38,489.99	38,595.43
Other reserves		**44,428.43**	19,076.89	6,861.00
Equity Attributable to Owners of Mafatlal Industries Limited		**78,456.17**	**57,566.88**	**45,456.43**
Non Controlling Interests		**4.69**	4.69	4.69
Total equity		**79,852.08**	**58,962.79**	**46,852.34**
Liabilities				
Non-current liabilities				
Financial liabilities				
i. Borrowings	19	**8,033.53**	9,650.13	6,450.93
ii. Other financial liabilities	20	**527.16**	360.87	363.70
Other non-current liabilities	21	**2,655.91**	3,162.71	2,035.87
Total non-current liabilities		**11,216.60**	**13,173.71**	**8,850.50**
Current liabilities				
Financial liabilities				
i. Borrowings	22	**12,945.84**	11,745.43	14,985.46
ii. Trade payables	23	**26,973.70**	25,259.21	26,449.85
iii. Other financial liabilities	24	**3,207.32**	4,449.72	2,364.78
Provisions	25	**888.70**	840.48	749.99
Other current liabilities	26	**3,793.08**	4,659.39	3,512.62
Current tax liabilities (Net)	35(h)	**285.56**	728.28	754.00
Total current liabilities		**48,094.20**	**47,682.51**	**48,816.70**
Total liabilities		**59,310.80**	**60,856.22**	**57,667.20**
TOTAL EQUITY AND LIABILITIES		**139,162.88**	**119,819.01**	**104,519.54**

The accompanying notes are an integral part of these consolidated financial statements.

In terms of our report attached.

For Price Waterhouse Chartered Accountants LLP
Registration No.012754N / N500016

Priyanshu Gundana
Partner
Membership No. 109553

Mumbai, May 3, 2018

For and on behalf of the Board of Directors

H. A. Mafatlal
Chairman
(DIN:00009872)

P. H. Mafatlal
Executive Director
(DIN:02433237)

Aniruddha Deshmukh
Managing Director & Chief Executive Officer
(DIN:01389267)

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A. K. Srivastava (DIN:00046776)
P. N. Kapadia (DIN:00078673)
G. G. Chakravarti (DIN:00004399)
S. A. Shah (DIN:00058019)
L. P. Pradhan (DIN:07118801)

Ashish A. Karanji
Company Secretary

Milan Shah
Chief Financial Officer

Mumbai, May 3, 2018

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise) (₹ in lakhs)

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	27	**116,773.59**	123,832.17
Other income	28 (a)	**2,620.22**	2,700.95
Other gains / (losses)	28 (b)	**669.86**	2,092.58
Total income		**120,063.67**	**128,625.70**
Expenses			
Cost of materials consumed	29	**39,172.50**	37,752.79
Purchases of stock-in-trade		**38,290.98**	47,893.69
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	**1,081.54**	(2,662.28)
Employee benefit expenses	31	**13,469.35**	12,767.20
Net finance costs	32	**3,108.54**	2,658.40
Depreciation and amortisation expense	33	**3,610.59**	3,237.67
Other expenses	34	**25,524.99**	26,561.72
Total expenses		**124,258.49**	**128,209.19**
(Loss) / Profit before exceptional items and tax		**(4,194.82)**	**416.51**
Exceptional items	34(c)	**-**	(467.15)
Loss before tax		**(4,194.82)**	**(50.64)**
Income tax expense			
- Current tax	35(a)		
- Deferred tax charge / (credit)	35(a)	**(17.00)**	(463.04)
Total tax credit		**(17.00)**	**(463.04)**
(Loss) / Profit for the year		**(4,177.82)**	**412.40**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Changes in fair value of FVOCI equity instruments	18(b)	**25,351.54**	12,215.89
Remeasurements of post-employment benefit obligations charge / (credit) [Net of Tax]	40	**32.54**	(15.48)
Other Comprehensive Income for the year		**25,384.08**	12,200.41
Total comprehensive income for the year		**21,206.26**	12,612.81
Profit / Loss is attributable to			
Owners of Mafatlal Industries Limited		**(4,177.82)**	412.40
Non Controlling Interest		**-**	-
Other comprehensive income is attributable to			
Owners of Mafatlal Industries Limited		**25,384.08**	12,200.41
Non Controlling Interest		**-**	-
Total comprehensive income is attributable to			
Owners of Mafatlal Industries Limited		**21,206.26**	12,612.81
Non Controlling Interest		**-**	-
(Loss) / Earnings per equity share of ₹ 10/- each	45		
Basic		**(30.03)**	2.96
Diluted		**(30.03)**	2.96

The accompanying notes are an integral part of these consolidated financial statements.

In terms of our report attached.

For Price Waterhouse Chartered Accountants LLP
Registration No.012754N / N500016

Priyanshu Gundana
Partner
Membership No. 109553

Mumbai, May 3, 2018

For and on behalf of the Board of Directors

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(DIN:00009872)

P. H. Mafatlal
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L. P. Pradhan (DIN:07118801)

Ashish A. Karanji
Company Secretary

Milan Shah
Chief Financial Officer

Mumbai, May 3, 2018

Consolidated Cashflow Statement for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

		Year ended March 31, 2018	Year ended March 31, 2017
A.	**Cash flow from operating activities**		
	Net Profit / (Loss) after exceptional items and before tax as per the Statement of Profit and Loss	**(4,194.82)**	(50.64)
	Adjustments for:		
	ESOP expense	**17.93**	-
	Depreciation / amoritsation on property plant and equipment, investment property, intangible asset	**3,610.59**	3,237.67
	Finance costs	**3,108.54**	2,658.40
	Gain on sale of Property Plant and Equipment	**(715.56)**	(119.30)
	Interest Income	**(169.15)**	(296.04)
	Interest on income tax refund	**(21.56)**	(36.54)
	Apportionment of government grant	**(511.06)**	(592.33)
	Dividend income	**(491.22)**	(326.99)
	Rental Income on Investment Properties	**(483.26)**	(477.04)
	Utility / business service / air-conditioning charges and other receipts in respect of investment property	**(829.83)**	(749.52)
	Bad trade and other receivables/ Loans and advances written off (net)	**176.41**	55.24
	Provision for doubtful debts/ advances	**38.02**	69.52
	Net unrealised exchange loss /(gain)	**71.82**	(43.12)
	Gain on sale of Investments	**189.48**	(1,980.45)
	Operating profit before working capital changes	**(203.67)**	1,348.86
	Changes in working capital		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	**941.50**	(2,720.30)
	Trade receivables	**125.27**	3,080.72
	Short term Loans and advances	**3.91**	(1.73)
	Long term loans and advances	**358.13**	(566.29)
	Other Current Financial Assets	**(176.95)**	(101.93)
	Other Non Current Financial Assets	**73.33**	265.25
	Other Bank Balances	**(1,188.43)**	9,146.57
	Other Non Current Assets	**18.57**	(29.78)
	Other Current Assets	**212.62**	(1,982.95)
	Adjustments for increase / (decrease) in operating liabilities:		
	Other Non Current Financial Liabilities	**166.29**	(2.83)
	Other Non current Liabilities	**4.26**	638.56
	Trade and other payables	**1,714.49**	(1,190.65)
	Other Current Financial Liabilities (excluding current maturities of non current borrowings)	**(3.68)**	12.45
	Current Provisions	**97.76**	66.82
	Other Current Liabilities	**(866.30)**	1,146.77
	Changes in Working Capital	**1,480.77**	7,760.68
	Cash generated from Operations	**1,277.10**	9,109.54
	Net income tax (paid) / refunds	**(30.41)**	(316.35)
	Net Cash inflow from operating activities	**1,246.69**	8,793.19

Consolidated Cashflow Statement for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

		Year ended March 31, 2018	Year ended March 31, 2017
B.	**Cash flow from investing activities**		
	Purchase of Property, Plant and Equipment including capital advances	**(1,252.70)**	(8,557.17)
	Proceeds from disposal of Property, Plant and Equipment	**733.64**	168.97
	Purchase of Intangible Assets including intangible under development	**(72.45)**	(404.81)
	Purchase of investments	**-**	(1,684.74)
	Sales Proceeds of investments	**3,414.12**	1,590.76
	Deposits Matured / (Placed) with banks	**81.49**	(230.72)
	Interest received	**169.15**	296.04
	Dividend income	**491.22**	326.99
	Rental Income on Investment Properties	**483.26**	477.04
	Utility / business service / air-conditioning charges and other receipts in respect of investment property	**829.83**	749.52
	Net cash inflow / (outflow) from investing activities	**4,877.56**	(7,268.12)
C.	**Cash flow from financing activities**		
	Non current Borrowings taken	**718.23**	6,983.57
	Interest Paid	**(3,177.55)**	(2,615.15)
	Non current borrowings repaid	**(3,596.52)**	(1,755.41)
	Current borrowings taken / (repaid)	**1,200.41**	(3,240.04)
	Dividend Paid including Dividend distribution tax	**(335.04)**	(494.32)
	Net cash inflow / (outflow) from financing activities	**(5,190.47)**	(1,121.35)
	Net Increase / (Decrease) in cash and cash equivalents	**933.78**	403.72
	Cash and cash equivalents at the beginning of the year	**981.24**	577.52
	Cash and cash equivalents at the end of the year	**1,915.02**	981.24

Notes:-

1) The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Ind AS 7 “Statement of Cash Flows” as notified under Companies (Accounts) Rules, 2015.
2) The previous GAAP figures have been reclassfied to conform to Ind AS presentation for the purpose of this note.

The accompanying notes are an integral part of these standalone financial statements

In terms of our report attached.

For Price Waterhouse Chartered Accountants LLP
Registration No.012754N / N500016

Priyanshu Gundana
Partner
Membership No. 109553

Mumbai, May 3, 2018

For and on behalf of the Board of Directors

H. A. Mafatlal
Chairman
(DIN:00009872)

P. H. Mafatlal
Executive Director
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L. P. Pradhan (DIN:07118801)

Ashish A. Karanji
Company Secretary

Milan Shah
Chief Financial Officer

Mumbai, May 3, 2018

Consolidated statement of changes in equity as at March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

A Equity share capital

Particulars	Amount
As at April 01, 2016	**1,391.22**
Changes in equity share capital	-
As at March 31, 2017	**1,391.22**
Changes in equity share capital	-
As at March 31, 2018	**1,391.22**

B. Other equity

Particulars	Attributable to equity holders of Mafatlal Industries Limited												Total Other Equity Attributable to Owners	Non controlling Interests
	Reserves and surplus											Other reserves		
	Securities premium reserve	Retained earnings	Capital reserve No.1	Capital reserve No. 2	Capital reserve on Amalgamation	General reserve	Capital redemption reserve	Capital investment reserve	Investment reserve	ESOP reserve	Export profit reserve	FVOCI - Equity instruments		
As at April 01, 2016	**17,452.07**	**8,311.84**	**61.16**	**35.00**	**3,634.48**	**620.00**	**8,383.14**	**75.96**	**1.78**	**-**	**20.00**	**6,861.00**	**45,456.43**	**4.69**
Profit for the year	-	412.40	-	-	-	-	-	-	-	-	-	-	412.40	-
Other comprehensive income	-	(15.48)	-	-	-	-	-	-	-	-	-	12,215.89	12,200.41	-
Dividend and Dividend distribution tax paid	-	(502.36)	-	-	-	-	-	-	-	-	-	-	(502.36)	-
As at March 31, 2017	**17,452.07**	**8,206.40**	**61.16**	**35.00**	**3,634.48**	**620.00**	**8,383.14**	**75.96**	**1.78**	**-**	**20.00**	**19,076.89**	**57,566.88**	**4.69**
Profit for the year	-	(4,177.82)	-	-	-	-	-	-	-		-	-	(4,177.82)	-
ESOP Charge for the year	-	-	-	-	-	-	-	-	-	17.93		-	17.93	-
Other comprehensive income	-	32.54		-	-	-	-	-	-	-	-	25,351.54	25,384.08	-
Dividend and Dividend distribution tax paid	-	(334.90)	-	-	-	-	-	-	-	-	-	-	(334.90)	-
As at March 31, 2018	**17,452.07**	**3,726.22**	**61.16**	**35.00**	**3,634.48**	**620.00**	**8,383.14**	**75.96**	**1.78**	**17.93**	**20.00**	**44,428.43**	**78,456.17**	**4.69**

In terms of our report attached.

For Price Waterhouse Chartered Accountants LLP
Registration No.012754N / N500016

Priyanshu Gundana
Partner
Membership No. 109553

Mumbai, May 3, 2018

For and on behalf of the Board of Directors

H. A. Mafatlal
Chairman
(DIN:00009872)

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Mumbai, May 3, 2018

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S. A. Shah (DIN:00058019)
L. P. Pradhan (DIN:07118801)

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

1. **Background**

Mafatlal Industries Limited (the "Company" or "MIL") is a public limited Company incorporated under the provisions of the Companies Act, 1956. The shares are listed on the Mumbai Stock Exchange. 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 manufacturing units at Nadiad and Navsari. The Company and its subsidiary, Mafatlal Services Limited ("MSL"), are together referred to as the Group.

2. **Significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. **Basis of Preparation**

i. **Compliance with Ind AS**

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Group under Ind AS. The date of transition is 01 April, 2016. Refer note 50 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

ii. **Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair values;
- Defined benefit plans - plan assets measured at fair value, and
- Share-based payments

iii. **Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective for annual periods beginning on or after April 01, 2018:

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115, is effective for periods beginning on or after April 01, 2018. Ind AS 115 sets out the requirements for recognising revenue that apply to all contracts with customers (except for contracts that are within the scope of the Standards on leases, insurance contracts and financial instruments). Ind AS 115 replaces the previous revenue Standards: Ind AS 18 Revenue and Ind AS 11 Construction Contracts, and the related appendices.

The standard establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise. Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The core principle in that framework is that the Group should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the fair value of consideration to which the Group expects to be entitled in exchange for those goods or services.

Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Group is evaluating the impact of the standard on the financial position and results of operations. As per the transitional provision of the standard, the Group shall apply this Standard using one of the following two methods:

(a) Retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The standard is applied retrospectively only to contracts that are not completed contracts at the date of initial application;

(b) Retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application.

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. Group is evaluating the impact of this amendment on its financial statements.

There are no other standards, changes in standards and interpretations that are not in force up to reporting period that the Group expects to have a material impact arising from its application in its financial statements.

b. Principles of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

c. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (“CODM”). The CODM consists of Chairman, CEO & MD and Executive Director of the Company, who are responsible for allocating resources and assessing performance of the operating segments. The Group operates only in one Business Segment i.e. textile business segment, hence does not have any reportable Segments as per Indian Accounting Standard 108 “Operating Segments”.

d. Foreign Currency Transactions

i. Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Indian rupee (INR), which is the functional and presentation currency of Mafatlal Industries Limited.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

e. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivables. Amounts disclosed as revenue is net of returns, trade allowances, rebates, discounts, value added taxes, goods and services tax and amount collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group, there is no continuing managerial involvement with the goods and specific criteria have been met for each of the activities described below.

Timing of recognition

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract. This generally happens upon dispatch of the goods to customers, except for export sales which are recognised when significant risk and rewards are transferred to the buyer as per the terms of contract.

Revenue from services is recognised in the accounting period in which the services are rendered.

Measurement of revenue

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government which are levied on sales such as sales tax, value added tax, goods and services tax, etc. Discounts given include rebates, price reductions and other incentives given to customers. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases. No element of financing is deemed present as sales are made with a credit term which is consistent with market practice.

f. Income tax

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as tax expense in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Balance Sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit / (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Profit or Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

g. <u>Government grants</u>

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of Property, Plant and Equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit and Loss in proportion to depreciation over the expected lives of the related assets and presented within Other Income.

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within Other Income.

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

h. <u>Leases</u>

As a lessee

Finance lease

Leases of Property, Plant and Equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate expected inflationary cost increases for the lessor.

As a lessor

Finance Lease

Leases of Property, Plant and Equipment where the Group as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually. Lease rental attributable to the operating lease are charged to Statement of Profit and Loss as lease income whereas lease income attributable to finance lease is recognised as finance lease receivable and recognised on the basis of effective interest rate.

Operating Lease

Lease income from operating leases where the Group is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

Operating Lease Income

Rental income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

i. Property, plant and equipment:

Freehold land is carried at historical cost. All other items of Property, Plant and Equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss within other gains / (losses).

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as ‘Capital work-in-progress’.

Depreciation methods, estimated useful lives and residual value:

Depreciation is provided on the straight-line method to allocate the cost of assets, net of their residual values, over their estimated useful lives.

Depreciation is calculated on a pro-rata basis from the date of acquisition / installation till the date the assets are sold or disposed of:

Asset category	Estimated useful life
Building	30 years
Plant and Machinery	9.5 years
Furniture and Fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Leasehold Improvements	9 years

Land accounted under finance lease is amortised on a straight-line basis over the period of lease.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

The estimated useful life and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

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

Transition to Ind AS:

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as at April 01, 2016 measured under IGAAP as the deemed cost of the Property, Plant and Equipment.

j. Intangible assets

Computer software includes enterprise resource planning project and other cost relating to such software which provides significant future economic benefits. These costs comprise of license fees and cost of system integration services.

Computer software cost is amortised over a period of 3 years using straight-line method.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss within other gains / (losses).

The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Research and development:

Research expenditure and development expenditure that do not meet the capitalization criteria as mentioned above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Transition to Ind AS:

On transition to Ind AS, the Group has elected to continue with the carrying value of Intangible Assets recognised as at April 01, 2016 measured under IGAAP as the deemed cost of Intangible Assets.

k. Investment properties:

Land and building that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Group, is classified as Investment Property. Land held for a currently undetermined future use is also classified as an Investment Property. Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an Investment Property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives which is determined based on technical evaluation performed by the management's expert.

Transition to Ind AS:

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Investment Property recognised as at April 01, 2016 measured under IGAAP as the deemed cost of Investment Property.

l. Impairment of assets:

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal / external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

m. Cash and cash equivalents:

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (3 months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

n. Trade receivables:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method, less provision for impairment.

o. Trade payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

p. Inventories

Raw materials, packing materials, purchased finished goods, work-in-progress, manufactured finished goods, fuel, stores and spares other than specific spares for machinery are valued at cost or net realisable value whichever is lower.

Items of inventory are valued at cost or net realisable value, whichever is lower after providing for obsolescence and other losses, where considered necessary. Cost is determined on the following basis:

- Stores, spares, raw materials and trading goods - Weighted average cost
- Process stock and finished goods - Material cost plus appropriate value of overheads
- Others (land) - At cost on conversion to stock-in-trade plus cost of improvement

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition.

Due allowances are made for slow moving and obsolete inventories based on estimates made by the Group. Items such as spare parts, stand-by equipment and servicing equipment which is not plant and machinery gets classified as inventory.

q. **Investments and other financial assets**

i. **Classification**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the business model of the entity for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election (on an instrument-by-instrument basis) at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii. **Initial recognition and measurement:**

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

iii. **Subsequent measurement**

After initial recognition, financial assets are measured at:

- Fair value {through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)} or,
- Amortised cost

Debt instruments

Subsequent measurement of debt instruments depends on the business model of the Group for managing the asset and the cash flow characteristics of the asset. There are 3 measurement categories into which the Group classifies its debt instruments:

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at fair value through Other Comprehensive Income (OCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain / (loss) previously recognised in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

Measured at fair value through profit or loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

Equity instruments:

The Group subsequently measures all investments in equity instruments at fair value. The Management of the Group has elected to present fair value gains and losses on such equity investments in either Other Comprehensive Income or profit & loss. There is no subsequent reclassification of fair value gains and losses to the Statement of profit and loss where FVOCI option is chosen. Dividends from such investments continue to be recognised in the Statement of Profit and Loss as Other income when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Fair Value hierarchy

The judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements in the note 36. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows:-

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

iv. Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments (Eg. trade receivables, other contractual rights to receive cash or other financial asset). The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Note 38 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

v. Derecognition of financial assets

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

vi. Income recognition:

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

r. Financial liabilities and equity instruments

i. Classification as debt or equity

Debt and equity instruments issued by the entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

ii. Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii. Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

iv. Derecognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

s. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

t. Derivative instruments

The Group holds derivative financial instruments such as foreign exchange forward and commodity futures to mitigate the risk of changes in exchange rates on foreign currency exposures and changes in prices of raw materials. The counterparty for these contracts is generally a bank.

Derivative financial assets or liabilities are not designated as hedges. Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Statement of Profit and Loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in Other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are expected to be realised within 12 months after the Balance Sheet date.

u. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as Other income / (expense).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

v. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

w. Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each reporting period and reflect the best current estimate.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

x. Employee benefits

i. Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Other Long-term employee benefits

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

iii. Post-employment obligations

Defined Benefits plan

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Balance Sheet is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability so provided is paid to trusts administered by the Group, which in turn invests in eligible securities to meet the liability as and when it accrues for payment in future. Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability with a corresponding charge to the Statement of Profit and Loss for other employees. The Group make contribution to a trust maintained by Life Insurance Corporation (LIC) of India.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in Other Comprehensive Income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Provident fund contributions for certain employees are made to a trust administered by the Group in India. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund balance maintained by the Trust set up by the Group is additionally provided.

Actuarial losses and gains are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

Defined contribution plan

The Group contributes towards Employees State Insurance Scheme, Family Pension Fund, Superannuation Fund and Provident Fund for certain employees, which are defined contribution schemes.

The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

iv. **Share based payments**

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

y. **<u>Earnings per share</u>**

i. **Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii. **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

z. **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

aa. **Operating cycle**

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

bb. **Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.1 Critical estimates and judgements

Preparation of the Financial Statements requires use of accounting estimates which, by definition, will seldom equal the actual results. This Note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas involving critical estimates or judgements are:

a. Estimation of useful life of Property, plant and equipment: Note 1 (i)

b. Estimation of defined benefit obligation: Note 40

c. Estimation of fair value of level 3 financial instruments - Note 36

d. Contingent Liabilities - Note 42

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 3 - Property, plant and equipment

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Leasehold improvements	Railway sidings	Total
Year ended March 31, 2017									
Gross carrying amount									
Deemed Cost as at April 01, 2016	13.86	2,642.34	19,422.84	529.95	311.09	155.36	149.00	0.13	23,224.57
Additions	-	281.13	11,087.27	48.63	14.29	66.68	-	-	11,498.00
Disposals	-	-	(31.18)	(2.09)	(36.81)	(6.95)	-	-	(77.03)
Closing gross carrying amount	**13.86**	**2,923.47**	**30,478.93**	**576.49**	**288.57**	**215.09**	**149.00**	**0.13**	**34,645.54**
Accumulated depreciation									
Depreciation charge during the year	-	102.44	2,885.55	63.29	51.58	65.39	30.26	-	3,198.51
Disposals	-	-	(15.40)	(0.05)	(11.88)	(0.03)	-	-	(27.36)
Closing accumulated depreciation	**-**	**102.44**	**2,870.15**	**63.24**	**39.70**	**65.36**	**30.26**	**-**	**3,171.15**
Net carrying amount	13.86	2,821.03	27,608.78	513.25	248.87	149.73	118.74	0.13	31,474.39
Capital Work in Progress	-	-	-	-	-	-	-	-	388.09
Total									**31,862.48**
Year ended March 31, 2018									
Gross carrying amount	13.86	2,923.47	30,478.93	576.49	288.57	215.09	149.00	0.13	34,645.54
Additions	32.50	94.66	631.98	40.61	55.08	312.95	-	-	1,167.78
Disposals	(0.03)	(0.02)	-	-	(20.56)	(1.56)	-	-	(22.17)
Closing gross carrying amount	**46.33**	**3,018.11**	**31,110.91**	**617.10**	**323.09**	**526.48**	**149.00**	**0.13**	**35,791.15**
Accumulated depreciation									
Opening accumulated depreciation	-	102.44	2,870.15	63.24	39.70	65.36	30.26	-	3,171.15
Depreciation charge during the year	-	109.12	3,181.26	52.43	51.79	103.22	30.26	-	3,528.08
Disposals	-	-	-	-	(4.01)	(0.08)	-	-	(4.09)
Closing accumulated depreciation	**-**	**211.56**	**6,051.41**	**115.67**	**87.48**	**168.50**	**60.52**	**-**	**6,695.14**
Net carrying amount	**46.33**	**2,806.55**	**25,059.50**	**501.43**	**235.61**	**357.98**	**88.48**	**0.13**	**29,096.01**
Capital Work in Progress	-	-	-	-	-	-	-	-	**657.64**
Total	-	-	-	-	-	-	-	-	**29,753.65**

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Notes:

(i) Capital work-in-progress ₹ 657.64 lakhs (March 31, 2017- ₹ 388.09 lakhs) includes other expenses of ₹5.65 lakhs (March 31, 2017 - ₹44.44 lakhs) incurred towards capital projects.

(ii) Refer to Note 47 for information on property, plant and equipment pledged as security by the Group.

(iii) Refer to note 43(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv) Building includes ₹ 12.86 lakhs (As at April 01, 2016: ₹ 12.86 lakhs and as at March 31, 2017: ₹ 12.86 Lakhs) being the cost of ownership premises in a co-operative society, including cost of shares received for the face value of ₹ 2,500/- under the bye laws of the society.

(v) Refer Note 21, Note 26 and Note 46 for government grant related to property, plant and equipment.

(vi) Bifurcation of Closing net carrying value of property plant and equipment as at April 01, 2016.

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Leasehold improvements	Railway sidings	Total
As at April 01, 2016									
Gross carrying amount	13.86	4,947.26	48,694.10	808.85	462.13	781.19	256.82	2.70	55,966.91
Less: Accumulated depreciation	-	(2,304.92)	(29,271.26)	(278.90)	(151.04)	(625.83)	(107.82)	(2.57)	(32,742.34)
Net carrying amount	**13.86**	**2,642.34**	**19,422.84**	**529.95**	**311.09**	**155.36**	**149.00**	**0.13**	**23,224.57**

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 4 - Investment Property

Particulars		**As at March 31, 2018**	As at March 31, 2017
Gross carrying amount			
Opening deemed cost / Gross carrying amount		**266.35**	266.35
Additions	-	**-**	-
Closing gross carrying amount	-	**266.35**	**266.35**
Accumulated depreciation			
Opening accumulated depreciation		**3.88**	-
Depreciation charge during the year	-	**3.88**	3.88
Closing accumulated depreciation	-	**7.76**	**3.88**
Net carrying amount	-	**258.59**	**262.47**

(i) Bifurcation of closing net carrying value of investment property as at April 01, 2016

Particulars	As at April 01, 2016
Gross carrying amount	372.80
Less: Accumulated depreciation	(106.45)
Net carrying amount	**266.35**

(ii) The investment property consists of freehold land and building and leasehold land.

(iii) Amounts recognised in the Statement of Profit and Loss for investment properties

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Income from investment property [Refer note 28 (a)]	**1,313.09**	1,226.56
Direct operating expenses towards income from investment property that generated income	**(951.36)**	(912.65)
Profit from investment properties before depreciation	**361.73**	313.91
Depreciation	**(3.88)**	(3.88)
Profit from investment properties	**357.85**	310.03

(iv) Leasing arrangements

a) Operating Leases

The Group has given certain investment properties on operating lease. These lease arrangements range for a period between eleven to sixty months and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms.

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Within one year	**181.44**	514.85	444.52
Later than one year but not later than five years	**14.48**	1,027.23	1,242.43
Total	**195.92**	**1,542.08**	**1,686.95**

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

b) **Finance leases**

Investment property includes land portions taken on lease by the group for a period ranging form 80 to 99 years with an option to extend the lease by another 99 years on expiry of lease. However, the group has no specific obligation towards renewal of land. Group has considered that such a lease of land transfers substantially all of the risks and rewards incidental to ownership of land, and has thus accounted for the same as finance lease.

(v) Fair value of investment properties

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Investment properties	**12,795.40**	12,059.02	11,178.08

Estimation of fair value

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, rental growth rates, expected vacancy rates, terminal yields and discount rates. All resulting fair value estimates for investment properties are included in level 3. The Group obtains independent valuations for its investment properties annually.

(vi) The Company is in the process of getting expired leases renewed.

Note 5 - Intangible assets

Computer software	**As at March 31, 2018**	As at March 31, 2017
Gross carrying amount		
Opening deemed cost / Gross carrying amount	**97.35**	68.69
Additions	**457.40**	28.66
Closing gross carrying amount	**554.75**	**97.35**
Accumulated amortisation		
Opening accumulated amortisation	**35.28**	-
Amortisation during the year	**78.63**	35.28
Disposals	**-**	-
Closing accumulated amortisation	**113.91**	35.28
Net carrying amount	**440.84**	**62.07**

The computer software are other than internally generated.

(i) Intangible Assets under development

Intangible assets under development includes Nil as at March 31, 2018, ₹ 384.95 lakhs as at March 31, 2017 and ₹ 8.80 lakhs as at April 01, 2016, towards development of accounting and Human resource software.

(ii) Bifurcation of closing net carrying value of intangible asset as at April 01, 2016

Particulars	As at April 01, 2016
Gross carrying amount	146.94
Less: Accumulated amortisation	(78.25)
Net carrying amount	**68.69**

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 6 - Non-current investments

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(A)	**Investment in equity instruments (fully paid)**			
(a)	**Other Companies measured at FVOCI**			
	Quoted			
	79,920 (March 31, 2017 : 79,920, April 01, 2016 : 79,920) Equity shares of ₹ 10/- each of Stanrose Mafatlal Investments and Finance Limited	**119.88**	130.23	100.30
	837,000 (March 31, 2017 : 83,700, April 01, 2016 : 83,700) Equity shares current year ₹1/- each (March 31, 2017- ₹10/- each, April 1, 2016 - ₹ 10 each) of Mangal Credit & Fincorp Limited	**31.31**	41.23	39.26
	9,600 (March 31, 2017 : 9,600, April 01, 2016 : 9,600) Equity shares of ₹2/- each of Ultramarine and Pigments Limited	**26.40**	17.70	10.44
	26,007,919 (March 31, 2017 : 26,007,919, April 01, 2016: 23,036,469) Equity shares of ₹10/- each of NOCIL Limited $$	**49,766.15**	24,408.43	10,619.81
	20 (March 31, 2017 : 20, April 01, 2016 : 20) Equity shares of ₹1/- each of Integra Engineering India Ltd	**0.01**	0.01	-
	100 (March 31, 2017 : 100, April 01, 2016 : 100) Equity sharesof ₹10/- each of Bank of India.	**0.10**	0.14	0.10
	Unquoted			
	45,000 (March 31, 2017 : 45,000, April 01, 2016 : 45,000) Equity shares of ₹10/- each of Cama Hotels Limited	@	@	@
	1,600 (March 31, 2017 : 1,600, April 01, 2016 : 1,600) Equity shares of ₹10/- each of Hybrid Financial Services Limited$**	@	@	@
	2 (March 31, 2017 : 2, April 01, 2016 : 2) Equity shares of ₹100/- each of Suremi Trading Private Limited	**18.34**	16.18	18.96
	2 (March 31, 2017 : 2, April 01, 2016 : 2) Equity shares of ₹100/- each of Mafatlal Impex Private Limited$**	**19.97**	18.53	7.34
	10,000 (March 31, 2017 : 10,000, April 01, 2016 : 10,000) Equity shares of ₹10/- each of Arvi Associates Private Limited $	**113.10**	111.27	75.31
	116 (March 31, 2017 : 116, April 01, 2016 : 116) Equity shares of ₹10/- each of Anil Bioplus Limited (formerly known as Anil Biochem Limited)	@	@	@
	1,240,000 (March 31, 2017 : 1,240,000, April 01, 2016 : 1,240,000)Equity shares of ₹10/- each of Mafatlal Global Apparel Limited	@	@	@
	13,350 (March 31, 2017 : 13,350, April 01, 2016 : 13,350) Equity shares of ₹10/- each of Matcon Export Enterprises Limited	@	@	@
	2,320 (March 31, 2017 : 2,320, April 01, 2016 : 2,320) Equity shares of ₹10/- each of Anil Limited (formerly known as Anil Products Limited)	@	@	@
	100 (March 31, 2017 : 100, April 01, 2016 : 100) Equity shares of ₹10/- each of Arlabs Limited	@	@	@
	15,000 (March 31, 2017 : 15,000, April 01, 2016 : 15,000) Equity shares of ₹10/- each of Cellulose Products of India Limited	@	@	@
	10 (March 31, 2017 : 10, April 01, 2016 : 10)Equity shares of ₹25/- each of Universal Dyestuff Industries Limited	@	@	@

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	5,870 (March 31, 2017 : 5,870, April 01, 2016 : 5,870) Equity shares of ₹100/- each of SLM Maneklal Industries Limited	@	@	@
	30,000 (March 31, 2017 : 30,000, April 01, 2016 : 30,000) Equity shares of ₹10/- each of Mafatlal Medical Devices Limited	@	@	@
	62,500 (March 31, 2017 : 62,500, April 01, 2016 : 34,050)Equity shares of ₹100/- each of Janata Sahakari Bank Limited####	**62.50**	62.50	34.05
	100 (March 31, 2017 : 100, April 01, 2016 : 100)Equity shares of ₹25/- each of Shamrao Vithal Co-Operative Bank Limited####	**0.03**	0.03	0.03
	5 (March 31, 2017 : 5, April 01, 2016 : 5)Shares of ₹ 50/- each of Sea- Face Park Co-op Housing Society Limited	@	@	@
	Unquoted			
	146,364 (March 31, 2017 : 146,364, April 01, 2016: 146,364) Equity shares of ₹100/- each of Mafatlal Engineering Industries Ltd###	@	@	@
	23,700 (March 31, 2017 : 23,700, April 01, 2016 : 23,700) Equity shares of ₹ 10/-each of Mafatlal Ltd, UK.##	@	@	@
(b)	**Other Companies measured at FVPL**			
	Quoted			
	Nil (March 31, 2017 : Nil, April 01, 2016 : 189,964) Equity shares of ₹10/- each of Navin Fluorine International Limited	**-**	-	3,213.72
	Unquoted			
	Nil (March 31, 2017 : 6,250, April 01, 2016 : 6,250) Equity shares of ₹ 100/- each of Navdeep Investment Private Limited$**	**-**	0.19	0.14
(B)	**Investments in Government securities**			
	Unquoted - At amortised cost			
	Government securities (Face value of ₹2.89 lakhs) have been lodged with various authorities	**2.89**	2.89	2.89
(C)	**Investment in debentures and bonds**			
	Unquoted - At amortised cost			
	165,000 (March 31, 2017 : 165,000, April 01, 2016 : 165,000)10% Secured Redeemable Convertible Debentures of Mafatlal Engineering Industries Ltd ##	@	@	@
	2,050 (March 31, 2017 : 2,050, April 01, 2016 : 2,050) Corporate Bonds of Housing Development Finance Corporation Limited:11 % - Series IV #	**-**	-	-
Total		**50,160.68**	24,809.33	14,122.35
Total non-current investments				
Aggregate amount of quoted investments and market value thereof		**49,943.85**	24,597.75	13,983.63
Aggregate amount of unquoted investments		**216.83**	211.58	138.72
		50,160.68	**24,809.33**	**14,122.35**

$ Not held in the name of the Group since acquired on Amalgamation.

$$ 71,36,667 (Previous year 85,36,667) Equity Shares pledged with banks. Refer Note 47 for Assets pledged

** Not available for physical verification

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

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

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

66,667 Equity shares not available for physical verification; currently under liquidation.

The Group has investments in equity shares of cooperative banks at face value, required as per the by-laws of these institutions in order to take borrowings from cooperative banks. The Investments are non transferable and will be bought back by cooperative banks at face value upon termination of relationship. These investments are with dividend rights.

@ Amount is below the rounding off norm adopted by the Group.

Note 7 - Non-current loans

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, Considered good			
Government Grants Receivable	**566.29**	743.80	177.51
Loans to related parties (Refer Note 41)	**-**	180.63	336.19
Others	**156.11**	156.11	0.55
Total	**722.40**	**1,080.54**	**514.25**
Refer Note 38 for information about credit risk and market risk for loans.			
Note :- Details of loan to related parties			
Private companies in which atleast one of the directors is a director or member:			
Mafatlal Impex Private Limited (upto August 19, 2016)	**-**	-	155.56
Suremi Trading Private Limited	**-**	84.76	84.76
Sukarma Investments Private Limited	**-**	95.87	95.87
Total	**-**	**180.63**	**336.19**

Note 8 - Other non-current financial assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security deposits	**507.18**	580.52	845.77
Deposits with banks (with maturity period of more than 12 months)			
(i) Deposits with Banks	**52.10**	23.40	10.00
(ii) Balances held as security / margin money *	**140.94**	422.47	190.65
(iii) Balances with Banks in earmarked accounts	**1,135.71**	964.37	978.86
Total	**1,835.93**	**1,990.76**	**2,025.28**

*Held as lien by Banks against borrowings, guarantees and other commitments in the normal course of business.

Note 9 - Other non-current assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, Considered good			
Capital advances	**11.18**	103.66	1,452.58
Prepaid expenses	**-**	2.15	15.06
Balances with government authorities	**398.61**	390.58	396.29
Lease rent / utilities equalisation of income	**72.25**	56.41	39.53
Other Advances	**-**	40.29	8.78
Unsecured, considered doubtful		-	
Deposit with Excise authorities	**31.45**	31.45	31.45
Less: Provision for doubtful advance	**(31.45)**	(31.45)	(31.45)
Total	**482.04**	**593.09**	**1,912.24**

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 10 - Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw materials	**1,890.21**	1,892.60	1,839.88
Work-in-progress	**6,339.20**	7,435.11	6,780.23
Finished goods	**5,020.68**	4,585.56	3,793.98
Stock-in-trade	**2,128.47**	2,549.22	1,333.40
Stores and spares	**826.52**	684.09	678.79
Others (Land)* [Refer Note 51 (ii)]	**61.97**	61.97	61.97
Total	**16,267.05**	**17,208.55**	**14,488.25**

Amounts recognised in the statement of profit or loss

Write-downs of inventories to net realisable value amounted to ₹ 277.46 Lakhs (March 31, 2017 – ₹ 220.67 Lakhs). These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss.

*The Company is in the process of getting expired leases renewed.

Note 11 - Current investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investment in equity instruments (fully paid)			
At Fair value through Profit and Loss			
Quoted			
Nil (March 31, 2017 : 118,389, April 01, 2016 : Nil) Equity shares of ₹10/- each of Navin Fluorine International Limited (Refer Note 6)	-	3,603.42	-
Total	**-**	**3,603.42**	**-**
Total current investments			
Aggregate amount of quoted investments and market value thereof	**-**	**3,603.42**	**-**
	-	**3,603.42**	**-**

Note 12 (a) - Trade receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade receivables (unsecured, considered Good)	**33.20**	33.20	33.20
Total receivables	**33.20**	33.20	33.20

Note 12 (b) Current- Trade receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade receivables	**28,830.93**	29,007.46	31,786.35
Receivables from related parties (Refer Note 41)	**1.23**	21.79	280.50
Less: Allowance for doubtful debts (Refer Note 38)	**(213.17)**	(175.15)	(105.63)
Total receivables	**28,618.99**	28,854.10	31,961.22
Unsecured, considered good	**28,618.99**	28,854.10	31,961.22

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Doubtful	213.17	175.15	105.63
Less: Allowance for doubtful debts	(213.17)	(175.15)	(105.63)
Total Trade Receivables	**28,618.99**	**28,854.10**	**31,961.22**
Note :- Trade receivables with Private companies in which atleast one of the directors is a director or member:			
Arvi Associates Private Limited	0.38	-	-
Gayatri Pestichem Manufacturing Private Limited	0.03	-	-
Tropical Clothing Company Private Limited	-	-	9.64
Total	0.41	-	9.64

Transferred receivables

The carrying amounts of the trade receivables include receivables which are subject to a discounting arrangement. Under this arrangement, the Group has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, the Group has retained late payment and credit risk. The Group therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the discounting is presented as secured borrowing.

The relevant carrying amounts are as follows:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total transferred receivables	1,072.70	773.27	761.97
Associated secured borrowings (Refer Note 22)	(1,072.70)	(773.27)	(761.97)
	-	-	-

Refer Note 38 for information about credit risk and market risk for trade receivables.

Note 13 - Cash and cash equivalants

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash on hand	15.40	21.17	16.28
Cheques on hand	155.63	50.14	7.44
Balances with banks:			
(i) In Current accounts	1,293.34	679.47	553.70
(ii) In Deposit accounts (with less than 3 months original maturity)	450.65	230.46	0.10
Total	**1,915.02**	**981.24**	**577.52**

Note 14 - Other bank balances

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deposits with original maturity of more than 3 months but less than 12 months	7.40	7.00	483.72
In earmarked accounts			
(i) Balances held as margin money or security against borrowings, guarantees and other commitments	630.42	415.55	749.63
(ii) Unclaimed dividend accounts	28.56	28.69	20.66
Others			
(i) Balance in Fixed Deposits (Refer note 1 below)	983.80	10.50	8,354.30
(ii) Balance in Escrow Current account (Refer note 2 below)	1.87	1.87	1.87
Total	**1,652.05**	**463.61**	**9,610.18**

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note:

1. *Earmarked for overdraft facility - Nil (March 31, 2017 Nil, April 01, 2016; ₹ 8,354.30 lakhs, last date of maturity March 15, 2017).*
2. *Balance in Escrow Current account is operated under the supervision of Monitoring Committee constituted by the Government of Maharashtra, under Development Control Regulations, 1991.*

Note 15 - Current loans

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Loans to employees	**8.25**	13.07	11.42
Others Loans	**0.92**	-	-
Total	**9.17**	13.07	11.42

Note 16 - Other current financial assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Derivative financial assets			
Foreign-exchange forward contracts	**-**	-	3.11
Security deposits	**315.32**	292.17	198.04
Others	**12.69**	35.30	79.63
Total	**328.01**	**327.47**	**280.78**

Note 17 - Other current assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Prepaid expenses	**384.89**	266.25	159.15
Balances with government authorities			
(i) Export and Modvat Benefit receivable	**771.39**	1,075.02	787.77
(ii) Goods and service tax receivables	**1,513.45**	-	-
(iii) Interest subsidy receivable (TUFS)	**270.83**	739.02	482.92
Advance to Suppliers	**659.02**	1,714.16	320.33
Others	**86.86**	104.64	165.95
Total	**3,686.44**	**3,899.09**	**1,916.12**

Note 18 - Share capital and other equity

18(a) - Equity share capital

Particulars		As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
		Number of shares	Amount(₹ In lakhs)	Number of shares	Amount (₹ In lakhs)	Number of shares	Amount (₹ In lakhs)
(i)	**Authorised**						
	Equity shares of ₹10/- each with voting rights	**14,245,081**	**1,424.51**	14,245,081	1,424.51	14,245,081	1,424.51
	Unclassified Shares of ₹10/- each	**85,754,919**	**8,575.49**	85,754,919	8,575.49	85,754,919	8,575.49
		100,000,000	**10,000.00**	**100,000,000**	**10,000.00**	**100,000,000**	**10,000.00**

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number of shares	**Amount(₹ In lakhs)**	Number of shares	Amount (₹ In lakhs)	Number of shares	Amount (₹ In lakhs)
(ii) Issued						
Equity shares of ₹10/- each with voting rights	**13,912,886**	**1,391.28**	13,912,886	1,391.28	13,912,886	1,391.28
(iii) Subscribed and fully paid up						
Equity shares of ₹10/- each with voting rights	**13,912,886**	**1,391.28**	13,912,886	1,391.28	13,912,886	1,391.28
Less: Allotment money/ Calls in arrears	**-**	**(0.06)**	-	(0.06)	-	(0.06)
Total	**13,912,886**	**1,391.22**	**13,912,886**	**1,391 .22**	**13,912,886**	**1,391.22**

(1) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Number of shares	Share capital (₹ In lakhs) (Par value)
As at April 01, 2016		
Equity shares of ₹10/- each with voting rights	13,912,886	1,391.28
Less: Allotment money/ Calls in arrears	-	(0.06)
Issued during the year	-	-
As at March 31, 2017	13,912,886	1,391.22
Issued during the year	-	-
As at March 31, 2018	**13,912,886**	**1,391.22**

(2) Terms & rights attached to Equity shares:

The Group has issued only one class of equity shares having a par value of ₹10/- per share. Every holder of equity shares is entitled to one vote per share held. The group declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the group, after distribution of all preferential amounts in proportion to their shareholding.

(3) Details of shareholders holding more than 5% of the aggregate shares in the group:

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number of shares	**% Holding**	Number of shares	% Holding	Number of shares	% Holding
H. A. Mafatlal	**3,176,150**	**22.83%**	3,176,150	22.83%	826,803	5.94%
NOCIL Limited	**1,269,695**	**9.13%**	1,269,695	9.13%	566,320	4.07%
Suremi Trading Private Limited	**3,093,047**	**22.23%**	3,093,047	22.23%	2,318,895	16.66%
Navin Fluorine International Limited	**1,071,332**	**7.70%**	1,071,332	7.70%	1,774,707	12.76%
Rekha H. Mafatlal	**804,283**	**5.78%**	804,283	5.78%	804,283	5.78%
V. P. Mafatlal	*	*	*	*	1,212,316	8.72%
Rupal V. Mafatlal	*	*	*	*	1,203,465	8.65%

*Holding as at March 31, 2017 and March 31, 2018 is less than 5%.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

(4) In terms of Modified Scheme (MS) approved by BIFR in June 2009, 60,000,000 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. Preference shares redeemed by the group during the period of five years immediately preceding the reporting date:

	Numbers	(₹ in lakhs)
As at March 31, 2014	60,000,000	6,000
As at March 31, 2013	30,000,000	3,000

(5) Aggregate number of shares issued for consideration other than cash

(i) During the year 2013-14, 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 group.

(ii) Shares reserved for issue under options

Information relating to Mafatlal Industries Limited Employee Option Plan, including details of options issued, granted, vested, and exercised during the financial year and options outstanding at the end of the reporting period, is set out in note 37.

(6) Calls unpaid (by other than officers and directors)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Calls Unpaid	**0.06**	0.06	0.06

(7) 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 group and Others in the Ahmedabad City Civil Court. The suits are pending disposal.

18(b) - Reserves and surplus

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Securities premium reserve	**17,452.07**	17,452.07	17,452.07
Retained earnings	**3,726.22**	8,206.40	8,311.84
General Reserve	**620.00**	620.00	620.00
Capital reserve No.1	**61.16**	61.16	61.16
Capital reserve No. 2	**35.00**	35.00	35.00
Capital Reserve on Amalgamation	**3,634.48**	3,634.48	3,634.48
Capital redemption reserve	**8,383.14**	8,383.14	8,383.14
Capital Investment Reserve	**75.96**	75.96	75.96
Investment Reserve	**1.78**	1.78	1.78
ESOP Reserve	**17.93**	-	-
Export Profit Reserve	**20.00**	20.00	20.00
Other reserves:			
FVOCI - Equity instruments	**44,428.43**	19,076.89	6,861.00
Total	**78,456.17**	**57,566.88**	**45,456.43**

(i) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Particulars		**As at March 31, 2018**	As at March 31, 2017
Balance at the beginning of the year		**17,452.07**	17,452.07
Add:- Movement during the year		**-**	-
Balance at the end of the year		**17,452.07**	**17,452.07**

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

(ii) Retained earnings

Particulars		As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year		**8,206.40**	8,311.84
Add : (Loss) / Profit for the year		**(4,177.82)**	412.40
Less: Dividend and Dividend Distribution Tax		**(334.90)**	(502.36)
Other comprehensive income / (Loss)		**32.54**	(15.48)
Balance at the end of the year		**3,726.22**	**8,206.40**

(iii) General Reserve

Particulars		As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year		**620.00**	620.00
Add:- Movement during the year		**-**	-
Balance at the end of the year		**620.00**	**620.00**

(iv) Capital reserve No.1

Capital reserve is to be utilised in accordance with provision of the Act..

Particulars		As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year		**61.16**	61.16
Add:- Movement during the year		**-**	-
Balance at the end of the year		**61.16**	**61.16**

(v) Capital reserve No. 2

The reserve has arisen out of State Government subsidy received by The Group and is separately maintained as per the provisions of the Act..

Particulars		As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year		35.00	35.00
Add:- Movement during the year		-	-
Balance at the end of the year		**35.00**	**35.00**

(vi) Capital Reserve on Amalgamation

The said reserve has arisen out of amalgamation with 'Mafatlal Denim Limited'

Particulars		As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year		3,634.48	3,634.48
Add:- Movement during the year		-	-
Balance at the end of the year		**3,634.48**	**3,634.48**

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

(vii) Capital redemption reserve

It represents reserve created during buy back of Equity Shares, preference shares and it is a non-distributable reserve.

Particulars		As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year		8,383.14	8,383.14
Add:- Movement during the year		-	-
Balance at the end of the year		**8,383.14**	**8,383.14**

(viii) FVOCI - Equity instruments

The Group, fair values certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve.

Particulars		As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year		19,076.89	6,861.00
Add:- Change in fair value of FVOCI equity instruments		25,351.54	12,215.89
Balance at the end of the year		**44,428.43**	**19,076.89**

(ix) Capital Investment Reserve

The said reserve has arisen out of excess of non taxable sales proceeds over the book values

Particulars		As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year		75.96	75.96
Add:- Movement during the year		-	-
Balance at the end of the year		**75.96**	**75.96**

(x) Investment Reserve

The said reserves has arisen on account of amalgamtion with Mafatlal Gagalbhai and Company Private Limited.

Particulars		As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year		1.78	1.78
Add:- Movement during the year		-	-
Balance at the end of the year		**1.78**	**1.78**

(xi) ESOP Reserve

The said reserves has arisen on account of ESOP scheme announced by The Company.

Particulars		As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year		-	-
Add:- Movement during the year		17.93	-
Balance at the end of the year		**17.93**	**-**

(xii) Export Profit Reserve

The said reserve has arisen due to amalgmation with The Mafatlal Fine Spinning and Manufacturing Co. Ltd.

Particulars		As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year		20.00	20.00
Add:- Movement during the year		-	-
Balance at the end of the year		**20.00**	**20.00**

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 19 - Non- current borrowings

Particulars		**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Secured				
Term Loans				
(a)	From Banks	**6,461.99**	8,429.12	5,933.26
(b)	For vehicle loans [Refer Note no.(vi)]	**67.53**	84.00	115.83
(c)	From financial institutions [Refer Note no.(vii) and (viii)]	**1,504.01**	1,137.01	401.84
Total		**8,033.53**	**9,650.13**	**6,450.93**

(i) Term loans from Bank, amounting to Nil (March 31, 2017 ₹ 909.15 lakhs and April 01, 2016 ₹1764.15 lakhs) is secured by a pari-passu mortgage / hypothecation first charge on certain fixed assets, including leasehold land at Navsari Plant and pari passu second charge on certain current assets of the group and pledge by promoters / promoter companies of certain shareholding in the group.	Repayable in quarterly installments till March 2018. The loans carry interest linked to the lenders' MCLR. The effective rate of interest for the year was in the range of 13.50% p.a. (March 31, 2017 14% to 14.25% and April 01, 2016 14.25% to 14.90% p.a.).
(ii) Term loan from a Bank, amounting to ₹ 3,584 lakhs (March 31, 2017 ₹ 4,440.00 lakhs and April 01, 2016 ₹ 536.47 lakhs) is secured by mortgage of a portion of land near Navsari Plant and exclusive first charge on Fixed Assets acquired out of the said loan from Bank at Navsari Plant and pari-passu second charge on certain current assets of the group.	Repayable in 20 quarterly installments begining from June 2017, till March 2022 after a moratorium period of 15 months. The loan carry interest linked to the lenders' MCLR. The effective rate of interest for the year was 12.25% p.a. (March 31, 2017 12.25% p.a. and April 01, 2016 12.25% p.a.).
(iii) Term loan from a Bank, amounting to ₹ 1708.60 lakhs (March 31, 2017 ₹ 2,208.33 lakhs and April 01, 2016 ₹ 2,499.99 lakhs) is secured by mortgage of a immovable asset at Mumbai and exclusive first charge on Fixed Assets acquired out of the said loan from Bank at Navsari Plant and pari-passu second charge on certain current assets of the group.	Repayable in 60 installments begining from September 2016 till August 2021 after a moratorium period of 24 months. The effective rate of interest for the year was 12.50% p.a. (March 31, 2017 12.25% p.a. and April 01, 2016 12.25% p.a.).
(iv) Term loan from a Bank, amounting to ₹ 1,841.99 lakhs (March 31, 2017 ₹2,333.59 lakhs and April 01, 2016 ₹ 2,457.63 Lakhs) is secured by mortgage of a immovable asset at Nadiad and exclusive first charge on Fixed Assets acquired out of the said loan from Bank at Nadiad Plant and second charge on certain current assets of the group.	The effective rate of interest for the year was 12.25% p.a. (March 31, 2017 12.50% p.a. to 14.25% p.a. and April 01, 2016 14.25% to 14.50% p.a.).
(v) Term loan from a Bank, amounting to ₹ 1,446.45 lakhs (March 31, 2017 ₹1,572.78 lakhs and April 01, 2016 Nil) is secured exclusive by mortgage/ hypothecation of a immovable asset at Mumbai and second charge on certain current assets of the group.	Repayable in 108 installments begining from July 2016 till June 2025. The effective rate of interest for the year was 10.20% p.a. (March 31, 2017 10.75% p.a.).
(vi) Loans from a Bank for Vehicles is secured by hypothecation of respective vehicles.	Repayable in monthly installments and the effective rate of interest for the year was in the range of 10.50% to 11% p.a. (Previous year 10.50% to 11% p.a).

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

(vii)	Term loan from a Financial Institution, amounting to Nil (March 31, 2017 ₹239.25 lakhs and April 01, 2016 ₹ 464.25 lakhs) is secured by a pari-passu mortgage / hypothecation charge on certain fixed assets, including leasehold land at Navsari Plant and hypothecation charge on certain current assets of the group and pledge by promoters / promoter companies of certain shareholding in the group.	Repayable in quarterly installments till March 2018. The loans carry interest linked to the lenders' MCLR. The effective rate of interest for the year was in the range of 12.45% to 11.80% p.a. (March 31, 2017 12.45% p.a. to 12.70% and April 01, 2016 12.70% p.a. to 13.25% p.a.).
(viii)	Term loan from a Financial Institution, amounting to Nil (March 31, 2017 ₹162.59 lakhs and April 01, 2016 ₹ 315.50 lakhs) is secured by a pari-passu mortgage / hypothecation charge on certain fixed assets, including leasehold land at Navsari Plant and hypothecation charge on certain current assets of the group and pledge by promoters / promoter companies of certain shareholding in the group.	Repayable in quarterly installments till March 2018. The loans carry interest linked to the lenders' MCLR. The effective rate of interest for the year was in the range of 12.45% to 11.80% p.a. (March 31, 2017 12.45% p.a. to 12.70% and April 01, 2016 12.70% p.a. to 13.25% p.a.).
(ix)	Term loan from a Bank, amounting to ₹ 1,137.00 lakhs (March 31, 2017 ₹ 1,437.01 lakhs and April 01, 2016 Nil) is secured by mortgage of a immovable asset at Nadiad and exclusive first charge on Fixed Assets acquired out of the said loan from Bank at Nadiad Plant.	Repayable in 20 quarterly installments begining from June 2017 till March 2022 after a moratorium period of 12 months. The effective rate of interest for the year was 11.75% p.a.(March 31, 2017 11.75% p.a. to 12.00% p.a. and April 01, 2016 Nil).
(x)	Term loan from a Bank, amounting to ₹667.00 lakhs (March 31, 2017 Nil and April 01, 2016 Nil) is secured by Charge on movable fixed assets to be acquired out of proposed Term Loan,Charge by way of mortgage over immovable assets (land & Building) measuring 253.81 sq mtrs. of Mafatlal House ,Pledge over 4,91,062 shares of NOCIL, mortgage of a immovable asset at Nadiad and exclusive first charge on Fixed Assets acquired out of the said loan from Bank at Nadiad Plant and a lien on term deposit .	Repayable in 20 quarterly installments begining from June 2019 till March 2024 after a moratorium period of 18 months. The effective rate of interest for the year was 11.75% p.a.(March 31, 2017 11.75% p.a. to 12.00% p.a. and April 01, 2016 Nil).

The amounts mentioned include installments falling due within a year aggregating to ₹ 2,380.39 Lakhs (March 31, 2017: ₹ 3,642.11 Lakhs; April 01,2016: ₹1,613.18 Lakhs) have been grouped under Current maturities of long-term debt [Refer Note 24]

Amount of Nil (March 31, 2017: ₹30.14 Lakhs and 1st April, 2016: ₹137.63 Lakhs) related to deferred expense towards processing charges is netted off against loan.

* Rate of Interest is without considering interest subsidy as per Central and State Government TUF Schemes.

For Liquidity risk information, refer note 38.

Note 20 - Other non-current financial liabilities

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Trade / Security deposits	**284.91**	183.34	249.85
Interest accrued on others [Refer Note 51 (i)]	**237.46**	172.74	109.06
Other Advances	**4.79**	4.79	4.79
Total	**527.16**	360.87	363.70

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 21 - Other non-current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred Income on Government Grant (Refer Note 46)	**2,655.91**	3,162.71	2,035.87
Total	**2,655.91**	**3,162.71**	**2,035.87**

Note 22 - Current borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Secured			
(a) Loans repayable on demand			
From Banks			
Overdraft facility*	**-**	-	7,529.39
Cash credit**	**11,873.14**	10,972.16	6,694.10
Factored receivables	**1,072.70**	773.27	761.97
Total	**12,945.84**	**11,745.43**	**14,985.46**

* Secured against Fixed Deposits of Nil, (Previous year: ₹ 8,354.30 lakhs, last date of maturity March 15 , 2017).

** Cash credit facility are secured by hypothecation of certain stocks and book debts, both present and future, of the Group, second charge on certain Fixed Assets of the group and pledge of investments held by the group. The cash credit is repayable on demand and carry an interest @ 11.15 % to 12.50% p.a. (Previous year 12.00% to 14.10% p.a.).

Refer Note No.47 for Assets pledged as security

Note 23 - Trade payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade Payables (Refer Note below)	**26,973.70**	25,259.21	26,449.85
Trade Payables to related parties	**-**	-	-
Total	**26,973.70**	**25,259.21**	**26,449.85**

Note: For Liquidity risk information, refer note 38.

Dues to Micro and Small Enterprises:

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**273.80**	30.08	83.11
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**11.95**	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	-	-

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-
Further interest remaining due and payable for earlier years	-	-	-

Note 24 - Other current financial liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current maturities of long-term debt (Refer Note No.19)			
(i) From Banks	2,041.01	2,905.21	1,187.35
(ii) For vehicle loans	39.38	35.06	47.92
(iii) From financial institutions	300.00	701.84	377.91
Other advances [Refer Note 51(i)]	578.81	577.89	577.89
Interest accrued but not due on borrowings	65.85	134.87	91.62
Unclaimed dividends*	28.56	28.69	20.66
Trade payables for capital assets	97.49	5.34	13.06
Trade / Security deposits	50.00	51.96	48.37
Derivative financial liabilities			
(i) Foreign-exchange forward contracts	6.22	8.86	-
Total	**3,207.32**	**4,449.72**	**2,364.78**

*There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

Note 25 - Current provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee Benefits:			
(i) Provision for Compensated absences (Refer Note 40)	682.69	636.79	623.04
(ii) Provision for Gratuity (Refer Note 40)	205.50	203.18	126.44
Other Provisions			
(i) Provision for Fringe Benefit Tax (net of advance tax ₹39.05 lakhs (As at April 01, 2016 ₹39.05 lakhs))	0.40	0.40	0.40
(ii) Provision for Wealth Tax (net)	0.11	0.11	0.11
Total	**888.70**	**840.48**	**749.99**

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 26 - Other current liabilities

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Payment towards Statutory liabilities	**622.42**	634.25	611.73
Advances from customers	**1,285.77**	1,907.12	365.09
Employee Benefits Payable	**971.52**	974.69	1,065.10
Lease rent / utilities equalisation on expense	**90.17**	96.62	98.01
Deferred Income on Government Grant (Refer Note 46)	**500.72**	504.98	455.73
Others	**322.48**	541.73	916.96
Total	**3,793.08**	**4,659.39**	**3,512.62**

Note 27 - Revenue from operations

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Sale of products	**115,552.36**	122,228.55
Other operating revenues		
Income from waste / scrap sale	**402.33**	363.83
Processing income	**7.56**	144.78
Duty drawback and other export incentives	**811.34**	1,095.01
Total revenue from operations	**116,773.59**	**123,832.17**

Note 28(a) - Other income

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Interest Income on Financial Assets At Amortised Cost	**168.66**	295.49
Interest Income on Income Tax refund	**21.56**	36.54
Rental income from investment property	**483.26**	477.04
Utility / business service / air-conditioning charges and other receipts in respect of investment property	**829.83**	749.52
Dividend income from investments measured at fair value through profit or loss	**-**	42.80
Dividend income from equity investments designated at fair value through other comprehensive income *	**491.22**	284.19
Apportioned Income from Government Grant #	**511.06**	592.33
Miscellaneous income	**114.63**	223.04
Total	**2,620.22**	**2,700.95**

* All dividends from equity investments which are designated at FVOCI relate to the investments held at the end of the reporting period.

Government grants have been received for investment in certain items of property, plant and equipment. There are no unfulfilled conditions or other contingencies attaching to these grants as at March 31, 2018. (Refer Note 46)

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 28(b) - Other gains / (losses)

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Net gain on disposal of Property Plant and Equipment (Refer Note 3)	**715.56**	119.30
Net foreign exchange differences	**149.48**	(3.53)
Net gain / (loss) on fair value changes		
Derivatives at FVPL	**(5.70)**	(3.64)
Net gain / loss on sale of Investments	**(189.48)**	1,980.45
Total	**669.86**	**2,092.58**

Note 29 - Cost of materials consumed

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Raw materials consumed	**39,172.50**	37,752.79
Total	**39,172.50**	**37,752.79**

Note 30 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Inventories at the end of the year		
Finished goods	**5,020.68**	4,585.56
Work-in-progress	**6,339.20**	7,435.11
Stock-in-trade (Traded goods)	**2,128.47**	2,549.22
Inventories at the beginning of the year		
Finished goods	**4,585.56**	3,793.98
Work-in-progress	**7,435.11**	6,780.23
Stock-in-trade (Traded goods)	**2,549.22**	1,333.40
Total	**1,081.54**	**(2,662.28)**

Note 31 - Employee benefit expenses

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Salaries, wages and bonus	**12,017.21**	11,273.59
Contributions to provident and other funds	**755.84**	855.32
Gratuity expenses (Refer Note 40)	**207.73**	186.12
Staff welfare expenses	**470.64**	452.17
Employee share-based payment expense (Refer Note .37)	**17.93**	-
Total	**13,469.35**	**12,767.20**

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 32 - Finance costs (Net)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense on :-		
Borrowings (Refer Note 1 and 2 below)	**2,683.77**	2,346.38
Trade payables	**220.56**	199.13
Others (Includes charges for bills discounting, interest on service tax and excise etc.)	**185.03**	29.71
Other borrowing costs	**19.18**	83.18
Total	**3,108.54**	**2,658.40**

Note 1:

The interest subsidy for the year on the Term Loans availed under the Technology Upgradation Fund Scheme (TUFS) is ₹ 135.08 lakhs (Previous year ₹ 285.62 lakhs) and the same has been netted off from interest expense.

Note 2:

Finance costs are net of Interest of ₹51.32 lakhs (Previous year ₹ 473.47 lakhs) capitalised in fixed assets and CWIP- Refer Note 3

Note 33 - Depreciation and amortisation expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation on property, plant and equipment	**3,528.08**	3,198.51
Amortisation on intangible assets	**78.63**	35.28
Depreciation on investment property	**3.88**	3.88
Total	**3,610.59**	**3,237.67**

Note 34 - Other expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of stores and spare parts	**8,159.17**	8,776.78
Processing charges	**1,793.02**	2,318.81
Power and fuel	**9,119.13**	8,746.88
Repairs and maintenance - Buildings	**82.58**	105.71
Repairs and maintenance - Machinery	**255.94**	296.49
Repairs and maintenance - Others	**83.82**	22.28
Insurance	**73.84**	108.32
Lease rent [Refer Note No.43(b)]	**334.05**	360.69
Rates and taxes	**111.09**	307.24
Transport and freight charges (net)	**847.52**	652.29
Expenditure on corporate social responsibility [Refer Note No.34(b)]	**2.21**	26.81
Donations and Charities	**0.62**	0.75
Bad trade and other receivables / loans and advances written off (net)	**176.41**	55.24
Provision for doubtful trade receivables and loans & advances (net)	**31.02**	69.52

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Legal and professional fees	789.90	958.44
Payments to auditors [Refer Note No.34(a)]	67.65	71.00
Directors' fees (Refer Note 41)	61.95	32.20
Miscellaneous expenses (includes Travelling, Printing & Stationery etc.)	3,535.07	3,652.27
Total	**25,524.99**	26,561.72

Note 34 (a) - Details of payment to auditors

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Payment to the auditors		
Audit fees	35.15	41.83
For taxation matters	-	1.15
For other services	31.15	24.97
Reimbursement of expenses	1.35	3.05
Total	**67.65**	**71.00**

Note 34 (b) - Corporate social responsibility

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Amount required to be spent as per Section 135 of the Act	-	-
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	11.96
(ii) On purposes other than (i) above	2.21	14.85
Total	**2.21**	**26.81**

Note 34 (c) - Exceptional items

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Voluntary Retirement Scheme and old employees settlement	-	(467.15)
Total	**-**	**(467.15)**

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 35 - Taxation

35(a) - Income tax expense

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Current tax		
Current tax on (Loss) / Profits for the year	**-**	-
Total current tax expense	**-**	**-**
Deferred tax		
(Decrease)/increase in deferred tax assets	**17.00**	463.04
Decrease/(increase) in deferred tax liabilities	**-**	-
Total deferred tax expense/(credit)	**17.00**	**463.04**
Income tax expense	**17.00**	**463.04**

35(b) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Loss for the year	**(4,194.82)**	(50.64)
Statutory income tax rate applicable to Mafatlal Industries Limited	**34.944%**	34.608%
Tax expense at applicable tax rate	**(1,465.84)**	**(17.53)**
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income		
Expenses not deductible for tax purposes	**(75.71)**	(20.80)
Weighted Deduction allowed	**16.06**	529.84
Exempt Income	**201.22**	833.55
Tax losses for which no deferred tax recognised	**(1,565.71)**	(870.04)
Others	**(24.70)**	(27.04)
Income tax expense as per the statement of Profit and Loss	**17.00**	**463.04**

35(c) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognised in Equity and not in Statement of Profit and Loss or Other comprehensive income.

35(d) - Deferred tax assets

The balance comprises temporary differences attributable to:

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Provision for doubtful debts / advances (net)	**73.91**	60.62	36.56
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	**421.61**	527.64	606.64
Unabsorbed depreciation	**4,848.56**	4,785.88	3,490.54
Investment property	**2.61**	2.61	2.61
Others	**5.63**	5.63	-
Total deferred tax assets	**5,352.32**	**5,382.38**	**4,136.35**

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deffered Tax Liability			
On difference between book balance and tax balance of fixed assets	**(4,124.36)**	(4,154.42)	(3,376.08)
Others	**-**	-	(3.50)
Total deferred tax assets	**1,227.96**	**1,227.96**	**756.77**

Movement in deferred tax (assets)/liabilities

Particulars	As at April 01, 2016	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2017
Provision for doubtful debts / advances (net)	36.56	24.06	-	60.62
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	606.64	(87.15)	8.15	527.64
Unabsorbed depreciation	3,490.54	1,295.34	-	4,785.88
Investment property	2.61	-	-	2.61
On difference between book balance and tax balance of fixed assets	(3,376.08)	(778.34)	-	(4,154.42)
Others	(3.50)	9.13	-	5.63
Total deferred tax assets	**756.77**	**463.04**	**8.15**	**1,227.96**

Particulars	As at March 31, 2017	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2018
Provision for doubtful debts / advances (net)	60.62	13.29	-	73.91
Disallowances under Sections 35DDA, 40(a) (i), 43B of the Income Tax Act, 1961	527.64	(89.03)	(17.00)	421.61
Unabsorbed depreciation	4,785.88	62.68	-	4,848.56
Deffered Tax Asset Calculated on Indexed Cost of Acquisition of Immovable Property	2.61	-	-	2.61
On difference between book balance and tax balance of fixed assets	(4,154.42)	30.06	-	(4,124.36)
Others	5.63	-	-	5.63
Total deferred tax assets	**1,227.96**	**17.00**	**(17.00)**	**1,227.96**

35(e) - Tax losses

The Group has not created deferred tax asset on the following tax losses:-

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Short Term Capital Loss		**455.93**	455.93	455.93
Potential tax benefit @ 34.944%	(a)	**159.32**	159.32	159.32
Long Term Capital Loss		**1,338.24**	2,076.15	2,076.15
Potential tax benefit @ 23.30%	(b)	**311.81**	483.74	483.74
Unabsorbed depreciation / business losses		**1,565.71**	870.04	-

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Potential tax benefit @ 34.944%	(c)	**547.12**	304.03	-
Minimum Alternate Tax		**2,702.53**	2,702.53	2,702.53
Potential tax benefit @ 21.55%	(d)	**582.40**	582.40	582.40
Total Potential tax benefit	**[(a)+(b)+('c)+(d)]**	**1,600.65**	**1,529.49**	**1,225.46**

The unused tax losses are not likely to generate taxable income in near future.

35(f) - Unrecognised temporary differences

The Group has not recognised deferred tax asset/(liability) associated with fair value gains on Equity instruments measured at FVOCI as based on the management projection of future taxable income and existing plan it is not probable that such difference will reverse in the foreseeable future.

35(g)-Income Tax asset (Net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Income Tax asset [Net of Provision of Tax ₹ 12,023.16 Lakhs, (March 31, 2017: ₹12,596.65 Lakhs), (April 01, 2016 ₹12,596.65 Lakhs)]	**1,770.86**	2,161.61	1,834.45

35(h)-Current Tax Liabilities (Net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current Tax liabilities [Net of Advance Tax ₹ 1,671.56 Lakhs, (March 31, 2017: ₹1,671.91Lakhs), (April 01, 2016 ₹1,290.75 Lakhs)]	**285.56**	728.28	754.00

Note 36 - Fair value measurements

Financial instruments by category

	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	FVPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Investments in Equity instruments	-	**50,095.26**	**65.42**	3,603.61	24,743.72	65.42	3,213.86	10,871.53	36.97
Cash and bank balances	-	-	**3,567.07**	-	-	1,444.85	-	-	10,187.70
Loans	-	-	**731.57**	-	-	1,093.61	-	-	525.67
Security deposits	-	-	**822.50**	-	-	872.69	-	-	1,043.81
Bank deposits with more than 12 months maturity	-	-	**1,328.75**	-	-	1,410.24	-	-	1,179.51
Trade receivables	-	-	**28,618.99**	-	-	28,854.10	-	-	31,961.22

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	FVPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Derivative instruments	-	-	-	-	-	-	3.11	-	-
Others	-	-	12.69	-	-	35.30	-	-	79.63
Total financial assets	**-**	**50,095.26**	**35,146.99**	**3,603.61**	**24,743.72**	**33,776.21**	**3,216.97**	**10,871.53**	**45,014.51**
Financial liabilities									
Borrowings	-	-	23,359.76	-	-	25,037.67	-	-	23,049.57
Trade / Security deposits received	-	-	334.91	-	-	235.30	-	-	298.22
Trade payables	-	-	26,973.70	-	-	25,259.21	-	-	26,449.85
Trade payables for capital assets	-	-	97.49	-	-	5.34	-	-	13.06
Interest accrued but not due on borrowings	-	-	65.85	-	-	134.87	-	-	91.62
Interest accrued on others	-	-	237.46	-	-	172.74	-	-	109.06
Other advances	-	-	583.60	-	-	582.68	-	-	582.68
Unclaimed dividends	-	-	28.56	-	-	28.69	-	-	20.66
Derivative instruments	6.22	-	-	8.86	-	-	-	-	-
Total financial liabilities	**6.22**	**-**	**51,681.33**	**8.86**	**-**	**51,456.50**	**-**	**-**	**50,614.72**

Financial Assets and Liabilities measured at Fair Value - recurring fair value measurements

	Level 1	Level 2	Total
As at March 31, 2018			
Quoted Equity investments measured at Fair value	**49,943.85**	**-**	**49,943.85**
Derivative asset / (liability)	**-**	**(6.22)**	**(6.22)**
			-
As at March 31, 2017			-
Quoted Equity investments measured at Fair value	24,597.74	-	24,597.74
Derivative asset / (liability)	-	(8.86)	(8.86)
	-	-	
As at April 01, 2016	-	-	
Qouted Equity investments measured at Fair value	13,983.63	-	13,983.63
Derivative asset / (liability)	-	3.11	3.11

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Assets and Liabilities measured at Amortised cost for which fair values are disclosed - Level 3

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Assets						
Investments in Government securities	**2.89**	**2.89**	2.89	2.89	2.89	2.89
Investments in Unquoted Shares	**62.53**	**62.53**	62.53	62.53	34.08	34.08
Loans	**722.40**	**722.40**	1,080.54	1,080.54	514.25	514.25
Security deposits	**507.18**	**507.18**	580.52	580.52	845.77	845.77
Bank deposits with more than 12 months maturity	**1,328.75**	**1,328.75**	1,410.24	1,410.24	1,179.51	1,179.51
Liabilities						
Borrowings	**8,033.53**	**8,033.53**	9,650.13	9,650.13	6,450.93	6,450.93
Trade / Security deposits received	**284.91**	**284.91**	183.34	183.34	249.85	249.85
Other financial liabilities	**237.46**	**237.46**	172.74	172.74	109.06	109.06

The carrying amounts of cash and bank balances, trade receivables, short term loans and security deposits given, trade payables, payable for capital assets, short term borrowings and other current financial assets and liabilities are considered to be the same as their fair values due to their short-term nature. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Assets and Liabilities measured at fair values - Level 3

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Assets			
Investments in Unquoted Shares - FVPL	-	0.19	0.14
Investments in Unquoted Shares - FVOCI	**151.41**	145.98	101.61

(i) Fair value hierarchy

The section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and which fair values are disclosed in the financial statements. To provide and indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard as follows:-

Level 1 : Level hierarchy includes financial instruments measured using quoted prices.

Level 2 : The fair value of financial instruments that are not traded in as active market in determined using valuation techniques which maximise that use of observable market data and rely as little as possible on entry -specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Leval 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity secutiries, contingent consideration and indemnification asset included in level 3.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the other unquoted equity investments is determined based on the report of the valuer
- the fair value of forward foreign exchange contracts is determined using foreign exchange rates at the balance sheet

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

(iii) Valuation processes

The finance department of the Group obtains assistance of independent and competent third party valuers to perform the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This expert reports to the financial risk management team and Chief Financial Officer (CFO). Discussion of valuation processes and results are held between the CFO and the valuation team at least once every three months, in line with the group's quarterly reporting periods.

The main level 3 inputs used by the group are derived and evaluated as follows:

(a) Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

(b) Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk grading determined by the group's internal credit risk management company.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the financial risk management team, CFO and the valuation experts. As part of this discussion the team presents a report that explains the reason for the fair value movements.

Note 37 - Share Based Payments

(a) Employee option plan

The Mafatlal Employee Stock Option Scheme 2017 (ESOS) of Mafatlal Industries Limited was approved by the Board of Directors of The Group at their meeting held on 5th May,2017 and finalised on 10th August, 2017. At the annual general meeting held on August 02, 2017, the shareholders have approved the creation of employee stock option pool of 6,95,000 equity shares of face value of ₹10/- each fully paid up on such terms and such manner as the Board may decide in accordance with the provisions of applicable law and proposed Mafatlal Employee Stock Option Scheme 2017 (ESOS). The Group intends to implement ESOS with a view to attract and retain key talents working with The Group by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The Nomination & Remuneration Committee(NRC) will administer the ESOS. On 10th November, 2017 the NRC has granted 138,000 options with a progressive vesting to certain senior management employees and the vesting of options will be @15% on 1st Anniversary, 20% on 2nd Anniversary, 30% on 3rd Anniversary, 35% on 4th Anniversary, of grant date.

Once vested the options remain excerisable for a period of four years.

Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one equity share. The exercise price of the options is fair market price of the share as on date of grant of options.

Set out below is a summary of options granted under the plan

Particulars	Average exercise price per share option (₹)	Number of options
Opening Balance	-	-
Granted during the year	322.70	138,000
Exercised during the year	-	-
Forfeited during the year	322.70	(10,000)
Closing Balance	-	128,000
Vested and exercisable	-	-

No options expired during the periods covered in the above tables.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Share options outstanding at the end of the year have the following expiry date and exercise prices

Grant Date	Vesting Date	Expiry Date	Exercise price (INR)	Share options March 31, 2018	Fair value of options (INR)
10-Nov-17	10-Nov-18	10-Nov-22	322.70	19,200	108.92
10-Nov-17	10-Nov-19	10-Nov-23	322.70	25,600	126.71
10-Nov-17	10-Nov-20	10-Nov-24	322.70	38,400	146.18
10-Nov-17	10-Nov-21	10-Nov-25	322.70	44,800	156.18
Total				**128,000**	

(i) Fair Value of options granted

The weighted average fair value at grant date of options granted during the year ended March 31, 2018 was INR 145.78 per option (March 31, 2017 - INR Nil). The fair value at grant date is determined using the Black and Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of option.

The model inputs for options granted during the year ended March 31, 2018 included:-

(a) options are granted for no consideration and vest upon completions of service for a period of 1-4 years. Vested options are excercisable for a period of four years after vesting.

(b) exercise price: ₹ 322.70

(c) grant date: November 10, 2017

(d) expiry date: November 10, 2022 - November 10, 2025

(e) share price at grant date: ₹ 314.10

(f) expected price volatility of the Group's shares: 48.32%-51.99%

(g) expected dividend yield: 1.69%

(h) risk free interest rate: 6.51% - 6.91%

The expected price volatility is based on the historic volatility (based on the remaining life of the options) adjusted for any expected changes to future volatility due to publicly available information.

(b) Expenses arising from share based payment transactions

Total expenses arising from share based payment transactions recognised in profit and loss as part of employee benefit expense were as follows:-

Particulars	Year ended March 31, 2018
Employee option plan	**17.93**

Note 38 - Financial risk management

The Group's business activities exposes it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Group's senior management and key management personnel have the ultimate responsibility for managing these risks. The Group has a mechanism to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's senior management and key management personnel are supported by the finance team and respective business divisions that provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The activities are designed to protect the

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Group's financial results and position from financial risks; and maintain market risks within acceptable parameters, while optimising returns.

(A) Management of liquidity risk

The principal sources of liquidity of the Group are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Group believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. The Group is cognizant of reputational risk that are associated with liquidity risk and such risk is factored into overall business strategy. The following table shows the maturity analysis of financial liabilities of the Group based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

As at March 31, 2018	Note	Carrying amount	Less than 12 months	1 year to 3 years	More than 3 years
Borrowings	19,22 and 24	23,359.76	15,364.56	5,295.40	2,699.80
Interest accrued but not due on borrowings	24	65.85	65.85	-	-
Trade payables	23	26,973.70	26,973.70	-	-
Trade / Security deposits	20 and 24	334.91	50.00	284.91	-
Trade payables for capital assets	24	97.49	97.49	-	-
Derivatives (settlement on net basis)	24	6.22	6.22	-	-
Interest accrued on others	20	237.46	-	237.46	-
Other liabilities	24	607.37	607.37	-	-

As at March 31, 2017	Note	Carrying amount	Less than 12 months	1 year to 3 years	More than 3 years
Borrowings	19,22 and 24	25,037.67	15,387.53	4,670.81	4,979.33
Interest accrued but not due on borrowings	24	134.87	134.87	-	-
Trade payables	23	25,259.21	25,259.21	-	-
Trade / Security deposits	20 and 24	235.29	51.95	183.34	-
Trade payables for capital assets	24	5.34	5.34	-	-
Derivatives (settlement on net basis)	24	8.86	8.86	-	-
Interest accrued on others	20	172.74	-	172.74	-
Other liabilities	24	606.58	606.58	-	-

As at April 01, 2016	Note	Carrying amount	Less than 12 months	1 year to 3 years	More than 3 years
Borrowings	19,22 and 24	23,049.57	16,598.64	1,218.90	5,232.03
Interest accrued but not due on borrowings	24	91.62	91.62	-	-
Trade payables	23	26,449.85	26,449.85	-	-
Trade / Security deposits	20 and 24	298.22	48.37	249.85	-
Trade payables for capital assets	24	13.06	13.06	-	-
Interest accrued on others	20	109.06	-	-	109.06
Other liabilities	24	598.55	598.55	-	-

(B) Management of market risk

The size and operations of the Group result in it being exposed to the following market risks that arise from its use of financial instruments:

i) price risk

ii) interest rate risk

iii) Commodity risk

iv) foreign exchange risk

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(All amounts in ₹ Lakhs, unless stated otherwise)

The above risks may affect income and expenses, or the value of its financial instruments of the Group. The objective of the Management of the Group for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Group exposure to, and the management of these risks is explained below:

Potential impact of risk	Management policy	Sensitivity to risk
i) Price risk		
The Group is mainly exposed to the price risk due to its investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments. Equity price risk is related to the change in market reference price of the investments in equity securities. In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities. The fair value of quoted equity instruments classified as fair value through Other Comprehensive Income as at March 31, 2018 is ₹ 49,943.85 lakhs (March 31, 2017: ₹24,597.74 lakhs and April 01, 2016: ₹ 10,769.77 lakhs).	In order to manage its price risk arising from investments in equity instruments, the Group maintains its portfolio in accordance with the framework set by the Risk Management policies. Any new investment or divestment must be approved by the Board of Directors, Chief Financial Officer and Risk Management Committee.	As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the group has calculated the impact as follows: For equity instruments, a 5% increase in Sensex prices would have led to approximately an additional ₹ 2,497.18 lakhs gain in Other Comprehensive Income (2016-17: ₹ 1,410.06 lakhs). A 5% decrease in Sensex prices would have led to an equal but opposite effect.
ii) Interest rate risk		
a) Financial liabilities		
The group is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings. As at March 31, 2018, the exposure to interest rate risk due to variable interest rate borrowings amounted to ₹ 23,359.76 lakhs (March 31, 2017: ₹ 25,037.67 lakhs and April 01, 2016: ₹ 23,049.57 lakhs)	The Group monitors fluctuations in interest rate continuously and has laid policies and guidelines including to minimise impact of interest rate risk.	As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Group has calculated the impact of a 25 bps change in interest rates. A 25 bps increase in interest rates would have led to approximately an additional ₹ 55.91 lakhs (2016-17: ₹ 48.88 lakhs) gain in Other Comprehensive Income. A 25 bps decrease in interest rates would have led to an equal but opposite effect.
iii) Commodity risk		
Commodities form a major part of the raw materials required for the Group's products portfolio and hence commodity price risk is one of the important market risk for the group. The commodities are priced using pricing benchmarks and commodity derivatives are priced using exchange-traded pricing benchmarks.	The Group has a robust framework and governance mechanism in place to ensure that the organisation is adequately protected from the market volatility in terms of price and availability. The Group has managed the commodity risk with appropriate hedging activities in accordance with policies of the group. The aim of the group's approach is to manage commodity risk and to leave the group with the no material residual risk. The Group uses future contracts to hedge against its commodity exposures relating to cotton which is its most widely used raw material.	As an estimation of the approximate impact of the residual risk, with respect to commodity futures, The Company has calculated the impact of a 5% change in futures rates. A 5% strengthening of the respective futures would result Nil impact on profit and equity. This analysis assumes that all other variables remain constant. A 5% weakening of the futures would have led to an equal but opposite effect.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

iv) Foreign exchange risk		
The Group has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the functional currency (INR) of the Group. The risk also includes highly probable foreign currency cash flows.	The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD, EURO, GBP and AED The aim of the Group's approach is to manage the currency risk and to leave the Group with no material residual risk. This aim has been achieved in all years presented. The Group manages currency exposures within prescribed limits, through use of forward exchange contracts. Foreign exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.	As an estimation of the approximate impact of the foreign exchange rate risk, with respect to Financial Statements, the Group has calculated the following: For derivative and non-derivative financial instruments, a 5% increase in the spot price as on the reporting date would result in increase in profit or loss and equity as of ₹ 162.39 lakhs (2016-17: gain of ₹ 134.67 lakhs). A 5% decrease would have led to an equal but opposite effect.

Foreign currency risk exposure:

The details of forward contracts outstanding as at the balance sheet date are as follows:

	As at March 31, 2018	As at March 31, 2017
Import contracts		
USD	-	65,025
Export contracts		
USD	**1,800,000**	69,700

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

As at 31st March, 2018		As at 31st March, 2017	
Receivable/ Payable	**Receivable/ Payable in Foreign currency**	**Receivable/ Payable**	**Receivable/ Payable in Foreign currency**
₹ in lakhs	**(Amount in Foreign currency) (in lakhs)**	**Rupees in lakhs**	**(Amount in Foreign currency) (in lakhs)**
Receivable		**Receivable**	
2573.68	USD 39.71	2883.43	USD 44.47
11.96	AED 0.71	1.09	AED 0.0615
33.44	EURO 0.41		
0.25	GBP 0.0027		
Payable		Payable	
543.61	USD 8.36	143.10	USD 2.21
4.08	EURO 0.05	7.97	EURO 0.11
		43.68	GBP 0.54

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

(C) Management of credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large, diverse and across sectors and countries. All trade receivables are reviewed and assessed for default on a quarterly basis.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant increase in credit risk on other financial instruments of the same counterparty,

Historical experience of collecting receivables of the group is supported by low level of past default and hence the credit risk is perceived to be low. As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. After the analysis of ageing of debtors, the Company has concluded that the existing amount of provision in the books is sufficient to cover any doubtful debt/s arising in future. As a result, no allowance for doubtful debts has been recognised by application of expected credit loss model for any of the years considered above.

Other financial assets

The group maintains exposure in cash and cash equivalents, term deposits with banks, investments in Government securities and inter corporate deposits. The Group has a diversified portfolio of investment with various number of counterparties which have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the treasury department of the Group.

Financial assests are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the Statement of Profit and Loss.

Note 39 - Capital Management

(a) Risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents and other bank balances. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

Description	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total Borrowings	**19,792.69**	23,592.82	12,861.87
Total Equity	**79,852.08**	58,962.79	46,852.34
Net Debt to equity ratio	**0.25**	0.40	0.27

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

(b) Dividends

	Year ended March 31, 2018	Year ended March 31, 2017
Equity shares		
Final dividend for the year ended March 31, 2017 ₹ 2 per fully paid share (As on March 31, 2016 ₹ 3 per fully paid share)	**278.26**	417.39
DDT on final dividend	**56.64**	84.97

Note 40 - Employee benefit obligations

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Compensated Absences	**682.15**	636.50	619.35
Gratuity	**205.19**	202.91	126.44
Total	**887.34**	**839.41**	**745.79**

(i) Compensated Absences

The employees of the Group are entitled to compensated absences as per the policy of the group.

The entire amount of the provision of compensated absences is presented as current, since the group does not have an unconditional right to defer settlement for the obligation. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current leave obligations not expected to be settled within the next 12 months	**471.58**	452.65	479.43

(ii) Post employment obligations

(a) Defined Contribution Plans:

The Group contributes towards Employees State Insurance Scheme, Family Pension Fund, Superannuition Fund and Provident Fund for certain employees. The contributions are normally based on a certain proportion of the employees' salary. During the year the Group as recognised contributions to these turds aggregating to ₹ 755.84 lakhs (March 31, 2017 ₹ 855.32 lakhs)

(b) Defined Benefit Plans:

Gratuity

The Group provides for gratuity for employees as per the Group's policy. The amount of gratuity payable on retirement / termination is payable to the employees based on last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Group has established 'Mafatlal Industries Ltd - Employee's Gratuity Fund' to which the Group makes contribution for certain employees whereas for some other employees the Group makes contribution to a trust maintained by Life Insurance Corpopration ('LIC') of India. The contributions are made to a gratuity based upon actuarial valuation done at the year end of every financial year using Projected Unit Credit method. The charge on account of provision for gratuity has been included in 'Employee Benefits Expense' in the Statement of Profit and Loss except remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability which are recognised in other comprehensive income.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Provident fund

The Group has established 'Mafatlal Denim Limited Employees Provident Fund' and ' Mafatlal Industries Limited Employees Provident Fund' in respect of certain employees to which both the employee and the employer make contribution. Such contribution to the provident fund for all employees, are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the guaranteed specified interest rate, the same is provided for by the Group. The actuary has provided an actuarial valuation and the interest shortfall liability, if any, has been provided in the books of accounts after considering the assets available with the Company's Provident Fund Trust.

GRATUITY

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 01, 2016	**3,155.22**	3,028.78	126.44
Interest Expense/(Income)	**246.91**	236.94	9.97
Current Service Cost	**176.15**	-	176.15
Total Amount Recognised in the Statement of Profit and Loss	**423.06**	236.94	186.12
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	**-**	(17.64)	17.64
(Gain)/loss from change in financial assumptions	**65.99**	-	65.99
Experience (gains)/losses	**(59.96)**	-	(59.96)
Total Amount Recognised in Other Comprehensive Income	**6.03**	(17.64)	23.67
Employer Contributions	**-**	133.32	(133.32)
Benefit Payments	**(609.24)**	(609.24)	-
Balance as on March 31, 2017	**2,975.07**	**2,772.16**	**202.91**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As on April 01, 2017	**2,975.07**	2,772.16	202.91
Interest Expense/(Income)	**223.83**	208.53	15.30
Current Service Cost	**174.68**	-	174.68
Past Service Cost	**16.51**	-	16.51
Total Amount Recognised in the Statement of Profit and Loss	**415.02**	208.53	206.49
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	**-**	31.15	(31.15)
(Gain)/loss from change in demographic assumptions / acturial gains / losses	**-**	-	-
(Gain)/loss from change in financial assumptions	**(65.70)**	-	(65.70)

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Experience (gains)/losses	47.31	-	47.31
Total Amount Recognised in Other Comprehensive Income	(18.39)	31.15	(49.54)
Employer Contributions	-	154.67	(154.67)
Benefit Payments	(267.94)	(267.94)	-
Balance as on March 31, 2018	**3,103.76**	**2,898.57**	**205.19**

PROVIDENT FUND

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 01, 2016	1,865.57	1,998.02	(132.45)
Interest Expense/(Income)	156.99	156.99	-
Current Service Cost	130.01	-	130.01
Employee Contributions	168.26	298.27	(130.01)
Liabilities transferred in	68.57	68.57	-
Benefit Payments	(206.41)	(206.41)	-
Acturial gain / (loss)	-	10.97	(10.97)
Balance as on March 31, 2017 *	**2,182.99**	**2,326.41**	**(143.42)**

Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 01, 2017	2,182.99	2,326.41	(143.42)
Interest Expense/(Income)	166.52	166.52	-
Current Service Cost	137.18	-	137.18
Employee Contributions	178.14	315.32	(137.18)
Liabilities transferred in	48.98	48.98	-
Benefit Payments	(443.93)	(443.93)	-
Acturial gain / (loss)	-	(5.01)	5.01
Balance as on March 31, 2018 *	**2,269.88**	**2,408.29**	**(138.41)**

* Excess of the asset over liability is not recognised in the financials

Following tables shows breakdown of the defined benefit obligations and plan assets :

GRATUITY

	31st March 2018	31st March 2017	1st April 2016
Present Value of Obligations	3103.77	2975.08	3155.22
Fair Value of Plan Assets	2898.57	2772.16	3028.78
Net (Assets)/Liability	**205.20**	**202.92**	**126.44**

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

PROVIDENT FUND

	31st March 2018	31st March 2017	1st April 2016
Present Value of Obligations	**2269.87**	2182.99	1865.57
Fair Value of Plan Assets	**2408.28**	2326.41	1998.02
Net (Assets)/Liability*	**(138.41)**	**(143.42)**	**(132.45)**

*Excess of the asset over liability is not recognised in the Financial Statements.

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Discount Rate / Return on plan assets			
Gratuity	**7.82%-7.87%**	7.51%- 7.57%	7.81%-7.95%
Guaranteed Return			
Provident fund	**8.65%**	8.65%	8.80%
Rate of salary increase			
Gratuity	**4.00%**	4.00%	4.00%
Rate of employee turnover			
Gratuity	**2.00%**	2.00%	2.00%
Mortality rate during employment	**Indian assured lives mortality (2006-08)**	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)

Sensitivity Analysis

The sensitivity of the defined benefit obligation to increase and decrease in the weighted principal assumptions by 0.50% is as below:

Particulars	Impact on defined benefit obligation			
	Increase in assumptions		Decrease in assumptions	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Discount Rate / Return on plan assets				
Gratuity	**(101.76)**	(100.59)	**108.51**	107.33
Rate of salary increase				
Gratuity	**112.01**	110.54	**(105.80)**	(104.38)
Rate of employee turnover				
Gratuity	**33.42**	29.67	**(35.32)**	(31.37)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

(iii) The major categories of plans assets are as follows:

The plan asset for the funded gratuity plan is administered by Life Insurance Corporation of India ('LIC') and Trust managed by the Fund as per the investment pattern stipulated for Pension and Group Schemes fund by Insurance Regulatory and Development Authority regulations i.e. 100% of plan assets are invested in insurer managed fund. Quoted price of the same is not available in active market.

(iv) Risk Exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Demographic Risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Asset Volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. 100% of the plan asset investments is in insurer managed funds. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level.

Salary Inflation Risk : Higher than expected increases in salary will increase the defined benefit obligation

Interest-Rate Risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(v) Defined Benefit Liability and Employer Contributions

Expected contributions to post-employment benefit plans for the year ending 31 March 2019 are ₹873.68lakhs.

The weighted average duration of the defined benefit obligation is 7-11 years (2017 - 7-11 years). The expected maturity analysis of undiscounted gratuity is as follows:

Maturity Analysis of the Projected Benefit Obligations - Gratuity

Particulars	As at March 31, 2018	As at March 31, 2017
1st Following Year	**400.94**	316.28
2nd Following Year	**220.56**	215.84
3rd Following Year	**308.12**	283.34
4th Following Year	**276.42**	286.02
5th Following Year	**286.72**	269.80
Sum of 6th to 10th Following Year	**1,456.22**	1,373.37

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 41 - Related party transactions

I Name of related parties and nature of relationship:

A) Key Management Personnel

H. A. Mafatlal (Executive Chairman)

Aniruddha Deshumkh (Managing Director & CEO)

Priyavrata H. Mafatlal (Executive Director) (with effect from November 1, 2016) [Son of H. A. Mafatalal]

Atul K. Srivastava (Non Executive Non Independent Director)

Vilas R. Gupte (Non Executive Independent Director)

Pradip N. Kapadia (Non Executive Independent Director)

Latika P. Pradhan (Non Executive Independent Director)

Gautam G. Chakravarti (Non Executive Independent Director)

Sujal A. Shah (Non Executive Independent Director)

Praful R. Amin (Non Executive Independent Director) (till August 11, 2016)

Vishad P. Mafatlal (Executive Director) (till August 19, 2016)

B) Individual having significant influence

H. A. Mafatlal

C) Relatives of Individual having significant influence

Priyavrata H. Mafatlal (till October 31, 2016) [Son of H. A. Mafatalal]

D) Enterprises over which key management personnel and their relatives are able to exercise significant influence

NOCIL Limited

Navin Flourine International Limited (till August 19, 2016)

Sulakshana Securities Limited (till August 19, 2016)

Mafatlal Impex Private Limited (till August 19, 2016)

Mafatlal Fabrics Private Limited (till August 19, 2016)

Arvi Associates Private Ltd

Gayatri Pestichem Manufacturing Private Limited

E) 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

Silvia Apparel Limited

Mafatlal Global Apparel Limited

Altamount Product and Services Private Limited

F) Post employment benefit plan

The Mafatlal Gagalbhai & Sons and the Associate Concerns Officer's Superanuation Scheme

Mafatlal Industries Limited - Employee's Gratuity Fund

Mafatlal Industries Limited Employee's Provident Fund

Mafatlal Denim Limited - Employee's Provident Fund

Mafatlal Denim Limited - Employee's Superannuation Fund

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

II Transactions with related parties

The following transactions occurred with related parties:

A) Key Management personnel compensation

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Directors' Remuneration		
Short-term employee benefits		
Aniruddha Deshumkh (Managing Director & CEO)	**251.14**	228.83
Priyavrata H. Mafatlal (with effect from November 1, 2016) [Son of H. A. Mafatalal]	**61.76**	44.54
Vishad P. Mafatlal (till August 19, 2016)	**-**	149.86
Post-employment benefits (Refer Note 1 below)	*	*
Long-term employee benefits (Refer Note 1 below)	*	*
Employee share-based payment	**-**	-
Directors' sitting fees		
Latika Pradhan	**10.50**	4.20
Atul K. Srivastava	**7.35**	3.85
H. A. Mafatlal	**-**	1.75
Pradip N. Kapadia	**9.80**	5.25
Praful R. Amin	**-**	2.45
Gautam G. Chakravarti	**11.55**	4.90
Sujal A. Shah	**10.50**	5.25
Vilas R. Gupte	**12.25**	4.55
Total compensation	**374.85**	**455.43**

B) Details of transactions with Related Parties during the year

Nature of transaction		Year ended March 31, 2018	Year ended March 31, 2017
(i)	**Sale of Goods & Services**		
	Navin Fluorine International Limited (Refer Note 2 below)	**-**	0.49
	Suremi Trading Private Limited	**0.14**	0.74
(ii)	**Other Operation Revenues**		
	Sulakshana Securities Limited (Refer Note 2 below)	**-**	16.06
	NOCIL Limited	**10.41**	13.69
	Navin Fluorine International Limited (Refer Note 2 below)	**-**	47.68
(iii)	**Dividend Income**		
	NOCIL Ltd	**468.14**	276.43
	Navin Fluorine International Limited (Refer Note 2 below)	**-**	42.80
(iv)	**Lease & Licence Fees**		
	Arvi Associates Private Ltd	**0.38**	-
	Gayatri Pestichem Manufacturing Private Limited	**0.03**	-
(v)	**Payment for Post employment benefit plan**		
	The Mafatlal Gagalbhai & Sons and the Associate Concerns Officer's Superanuation Scheme	**81.89**	106.32
	Mafatlal Industries Limited - Employee's Gratuity Fund	**97.67**	53.57

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Nature of transaction		Year ended March 31, 2018	Year ended March 31, 2017
	Mafatlal Industries Limited Employee's Provident Fund	**309.22**	291.52
	Mafatlal Denim Limited - Employee's Provident Fund	**6.19**	6.70
	Mafatlal Denim Limited - Employee's Superannuation Fund	**30.04**	64.06
(vi)	**Remuneration**		
	Priyavrata H. Mafatlal (upto 31st October 2016) [Son of H. A. Mafatalal]	**-**	27.56

Nature of transaction		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(vii)	**Amount due from**			
	Trade and other Receivable:			
	Mafatlal Global Apparel Limited (Trade Receivable)	**-**	-	273.64
	NOCIL Limited	**0.82**	-	-
	Sukarma Investments Private Limited	**-**	95.87	95.87
	Suremi Trading Private Limited	**-**	84.76	84.76
	Navin Fluorine International Limited (Refer Note 2 below)	**-**	7.27	6.66
	Sulakshana Securities Ltd (Refer Note 2 below)	**-**	14.52	-
	Mafatlal Fabrics Private Limited	**-**	-	0.20
	Mafatlal Impex Private Limited (Refer Note 2 below)	**-**	-	155.56
	Arvi Associates Private Ltd	**0.38**	-	-
	Gayatri Pestichem Manufacturing Private Limited	**0.03**	-	-

Notes:

1) Compensation exclude provision for gratuity, provident fund and compensated absences since these are based on actuarial valuation on an overall company basis.

2) Navin Flourine International, Mafatlal Impex Pvt. Ltd. and Sulakshana Securities Ltd are considered to be related parties only till August 19, 2016.

Terms and conditions

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

Note 42 - Contingent liabilities and contingent assets

(a) Contingent liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Income Tax Matters	**2,522.31**	2,714.99	2,617.89
Central excise and related matters	**528.70**	404.23	2,624.24
Central excise and service tax matters	**2,960.55**	2,960.55	2,960.55
Other Commercial matters	**49.83**	24.84	24.84
Labour Law matters	**347.62**	608.70	1,376.32
Director General of Foreign Trade matters	**4.79**	4.79	4.79
Total	**6,413.80**	**6,718.10**	**9,608.63**

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

(b) The Group 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 demand for ₹ 2,696.98 lakhs (Previous year ₹ 2,696.98 lakhs) for the period from 2004-07 and 2008-10 has been raised by Brihanmumbai Mahanagarpalika ('BMC') towards Property Taxes in respect of the properties owned by various owners for the respective floors. 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 group will have no additional liability. In case of Mafatlal Chambers:

A demand for ₹ 792.46 lakhs (Previous year ₹ 792.46 lakhs) for the period 2000-05 has been raised by Brihanmumbai Mahanagarpalika ('BMC') towards Property Taxes in respect of the properties owned by the group at the relevant time. The said demand has been disputed by the group. As per the directions given by the Honourable Bombay High Court, the BMC has granted hearing to the group and the final outcome is awaited.

(c) It is not practicable for the Group to estimate the timing of cash flows, if any, in respect of the above pending resolution of the respective proceedings.

(d) The Group does not expect any reimbursement in respect of the above contingent liabilities.

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Letter of comfort given on behalf of Ibiza Industries Limited (under liquidation since 2007) not considered as Guarantee on legal advice.	**-**	850.28	850.28

Note 43 - Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Estimated value of contracts on capital account remaining to be executed			
Tangible assets	**43.39**	183.77	5,303.48

(b) Non-cancellable operating leases

As a lessor

The Group has entered into non cancellable operating lease arrangements for certain office premises. The tenure of such agreements ranges from eleven to sixty months.

Particulars	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
Within one year	**181.44**	514.85	444.52
Later than one year but not later than five years	**14.48**	1,027.23	1,242.43
Total	**195.92**	**1,542.08**	**1,686.95**

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

As a Lessee

The Group has entered into operating lease arrangements for certain facilities and residence premises. The leases are non-cancellable and are for a period upto 5 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.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
Within one year	**191.55**	315.29	316.43
Later than one year but not later than five years	**229.67**	908.37	1,236.23
Total	**421.22**	**1,223.66**	**1,552.66**

Rental expense relating to operating leases

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total rental expense relating to operating leases	**334.05**	360.69	338.19

* Refer Note 34 to Statement of Profit and Loss.

Note 44 - Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the group. The CODM consists of Chairman, CEO & MD, Executive Director who are responsible for allocating resources and assessing performance of the operating segments. The group operates only in one Business Segment i.e. textile business segment, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

The Group is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

Particulars	As at March 31, 2018		As at March 31, 2017	
	Within India	Outside India	Within India	Outside India
Revenue from External Customers	**97,853.38**	**18,920.21**	108,037.76	15,794.41

Segment Assets

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Within India	Outside India	Within India	Outside India	Within India	Outside India
Non-current assets excluding financial assets, deferred tax assets, Income tax assets	**30,935.12**	**-**	33,165.06	-	26,387.75	-

The Group does not have revenue of more than 10% from a single customer

Note 45 - Earnings per share

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Basic and Diluted (Loss) / Earnings Per Share		
(Loss) / Profit After Taxation	**(4,177.82)**	412.40
Weighted average number of shares for Basic and Diluted EPS (Nos.)	**13,912,886**	13,912,886
Nominal Value of shares outstanding	**10**	10
Basic and Diluted (Loss) / Earnings Per Share	**(30.03)**	2.96

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Weighted average number of shares used as the denominator		
Opening Balance	**13,912,886**	13,912,886
Weighted average number of shares used as the denominator for calculating basic and diluted earnings per share	**13,912,886**	13,912,886

Note 46 - Government Grant

Export Promotion Capital Goods (EPCG): This scheme allows import of certain capital goods including spares at zero duty subject to an export obligation for the duty saved on such capital goods. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as a Capital Grant as stated in the Accounting policy on Government Grant (Refer note 2).

Technology Upgradation Fund Scheme (TUFS): The Group is entitled to subsidy, on its investment in the property plant and equipment, on fulfilment of the conditions stated in those Scheme. Under Duty drawback scheme, the Group receives certain percentage of export proceeds as a duty drawback from custom authorities on export of products. Under incremental incentive scheme, company receives scrips for incremental exports. These subsidies being Government Grant with primary condition as export of products are accounted as a Revenue Grant as stated in the Accounting policy on Government Grant (Refer note 2).

The Government Grant above represents unamortised amount of the subsidy referred to below, with the corresponding adjustment to the carrying amount of property, plant and equipment (Refer note 3).

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	**3,667.69**	2,491.60
Grants during the year	**-**	1,768.42
Less: Released to Statement of Profit and Loss (Note 28(a))	**(511.06)**	(592.33)
Closing balance	**3,156.63**	**3,667.69**

Description	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current portion	**500.72**	504.98	455.73
Non-current portion	**2,655.91**	3,162.71	2,035.87
Total	**3,156.63**	**3,667.69**	**2,491.60**

Note 47 - Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current				
Financial Assets				
First Charge				
Inventories	10	**16,267.05**	17,208.55	14,488.25
Trade receivables	12	**28,306.41**	28,727.94	31,866.22
Total Current assets pledged as security		**44,573.46**	**45,936.49**	**46,354.47**
Non-Current				
Land	3	**8.57**	8.57	8.57
Building	3	**2,448.86**	2,448.42	2,445.69
Plant & Machinery	3	**22,646.55**	24,777.08	20,386.35
Investment Property	4	**218.54**	219.06	219.58

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Vehicles	3	235.67	248.95	311.18
Investment	6	13,656.01	8,011.66	3,935.40
Others Assets	14	40.98	-	-
Total Non-Current assets pledged as security		**39,255.18**	**35,713.74**	**27,306.77**
Total assets pledged as security		**83,828.64**	**81,650.23**	**73,661.24**

Note 48: Interests in other entities

(a) Subsidiaries

The Group has only one subsidiary at 31 March 2018 named ' Mafatlal Services Limited'. The Group holds majority stake of 88% in the subsidiary and also has the right to appoint its Board of Directors. The country of incorporation or registration is also their principal place of business.

(b) Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet	31-Mar-18	31-Mar-17	1-Apr-16
Current assets	13.69	17.28	15.03
Current liabilities	2.97	6.57	4.29
Net current assets	10.72	10.71	10.74
Non-current assets	33.20	33.20	33.20
Non-current liabilities	4.79	4.79	4.79
Net non-current assets	28.41	28.41	28.41
Net assets	**39.13**	**39.12**	**39.15**
Accumulated NCI	**4.69**	**4.69**	**4.69**

Summarised statement of Profit and Loss	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	22.66	26.62
Profit for the year	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Profit allocated to NCI	-	-
Dividends paid to NCI	-	-

Summarised cash flows	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash flows from operating activities	5.29	(5.32)
Cash flows from investing activities	0.49	0.56
Cash flows from financing activities	-	-
Net increase/ (decrease) in cash and cash equivalents	5.78	(4.76)

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

(c) Transactions with Non-Controlling interest

There are no transaction with non-controlling interest for any of the reported year.

Note 49 Additional information required by Schedule III

Particulars	31st March, 2018		31st March, 2017	
	As a % of Consolidated net assets	Amount	As a % of Consolidated profit or loss	Amount
Parent				
Mafatlal Industries Limited				
Net Assets i.e Total assets minus total liabilities	99.95%	79,840.46	99.98%	58,951.17
Share in profit or (loss)	100.00%	(4,177.82)	100.00%	412.40
Share in other comprehensive income	100.00%	25,384.08	100.00%	12,200.41
Share in total comprehensive income	100.00%	21,206.26	100.00%	12,612.81
Subsidiaries				
Mafatlal Services Limited				
Net Assets i.e Total assets minus total liabilities	0.01%	11.61	0.02%	11.61
Share in profit or (loss)	0.00%	-	0.00%	-
Share in other comprehensive income	0.00%	-	0.00%	-
Share in total comprehensive income	0.00%	-	0.00%	-

Note 50 - First-time adoption of Ind AS

These are the Group's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet at April 01, 2016 (the Group's date of transition). In preparing its opening Ind AS Balance Sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act ("previous GAAP"). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

In preparing these Ind AS financial statements, the Group has availed certain optional exemptions and mandatory exceptions in accordance with Ind AS 101 from previous GAAP to Ind AS, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Group in restating its previous GAAP financial statements as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

A.1 Ind AS optional exemptions

(a) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

b) Deemed cost for property plant and equipment, intangible assets and investment properties

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets'

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

and investment properties covered by Ind AS 40 ' Investment Property'. Accordingly, the Group has elected to measure all of its property, plant and equipment, intangible assets and investment properties at their previous GAAP carrying value.

(c) Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Group has elected to apply this exemption for its investment in equity shares.

A2. Ind AS mandatory exceptions

(a) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVPL or FVOCI;
- Impairment of financial assets based on expected credit loss model;
- Fair Value of investment properties;
- Asset held for sale

(b) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Consequently the Group has appplied the above assessment based on facts and circumstances exisiting on the transition date.

(c) Derecognition of Financial Assets and Financial Liabilities:

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS .

(d) Non Controlling Interests

Ind AS 110 requires entities to attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. This requirement needs to be followed even if this results in the non-controlling interests having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition. Consequently, the Group has applied the above requirement prospectively.

B) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following reconciliations provide the explanations and quantification of the differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

A. Reconciliation of Equity as at April 01, 2016 and March 31, 2017;

B. Reconciliation of Statement of Total Comprehensive Income for the year ended March 31 2017; and

C. The impact on cash flows from operating, investing and financing activities for the year March 31, 2017.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Reconciliation of total equity as at April 01, 2016 and March 31, 2017:

Description	Notes to first time adoption	April 01, 2016	March 31, 2017
Total equity (shareholder's funds) as per previous GAAP		37,594.01	37,379.48
Adjustments:			
Proposed dividend and dividend distribution tax	1	502.36	-
Fair valuation of Investments	3	9,553.82	22,384.89
Deferred revenue on government grant	4	4,113.25	4,705.58
Depreciation on government grant	4	(4,102.21)	(4,650.87)
Others	13	(811.83)	(853.26)
Deferred tax impact in respect of Ind AS adjustments	6	2.94	(3.03)
Total adjustments		**9,258.33**	**21,583.31**
Total equity as per Ind AS		**46,852.34**	**58,962.79**

Reconciliation of total comprehensive income for the year ended 31 March 2017:

Description	Notes to first time adoption	March 31, 2017
Profit after tax as per previous GAAP		(214.53)
Adjustments:		
Net impact on Investment-Fair Value Option through P&L	3	643.39
Deferred revenue on government grant	4	592.33
Depreciation on government grant	4	(548.66)
Acturial (Loss) / Gain on Defined Benefit Plans considered under Other Comprehensive Income	5	23.67
Others	13	(69.64)
Deferred tax impact in respect of Ind AS adjustments	6	(14.16)
Total adjustments		626.93
Profit after tax as per Ind AS		412.40
Other comprehensive income		12,200.41
Total comprehensive income as per Ind AS		12,612.81

Cash Flow Reconciliation

Description	Notes	Previous GAAP	Adjustments	Ind.AS
Net cash from operating activities		1,837.84	6,955.35	8,793.19
Net cash from investing activities		(551.01)	(6,717.11)	(7,268.12)
Net cash from financing activities		(1,110.56)	(10.79)	(1,121.35)
Net increase/decrease in cash equivalents		176.27	227.45	403.72
Cash and cash equivalents as at April 01, 2016	13	584.51	(6.99)	577.52
Cash and cash equivalents as at March 31, 2017	13	760.78	220.46	981.24

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Notes to first time adoption:

The following explains the material adjustments made while transition from previous accounting standards to Ind AS:

Note 1:- Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of ₹ 502.36 lakhs as at April 01, 2016 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 2:- Trade Receivables

As per Ind AS 109, the group is required to apply expected credit loss model for recognising the allowance for doubtful debts. After the analysis of ageing of debtors, the group has concluded that the existing amount of provision in the books is sufficient to cover any doubtful debt/s arising in future. As a result, no allowance for doubtful debts has been recognised by application of expected credit loss model.

Note 3:- Fair Valuation of Investments

Under the previous GAAP, investments in equity instruments and bonds instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the Profit or Loss for the year ended March 31 2017. This increased the retained earnings by ₹ 706.20 lakhs as at March 31 2017 (April 01, 2016 - ₹ 2,540.48 Lakhs). Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in Other Comprehensive Income as at the date of transition and subsequently in the other comprehensive income for the year ended March 31 2017. This increased other reserves by ₹21,678.69 lakhs as at 31 March 2017 (April 01, 2016 - ₹ 7,013.34 Lakhs). Consequent to the above, the total equity as at March 31, 2017 increased by ₹ 22,384.89 Lakhs (April 01,2016 - ₹ 9,553.82 Lakhs)..

Note 4:- Deferred Government Grant

As stated above, on transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment. However, in view of the Ind AS Transition Facilitation Group (ITFG) clarification bulletin dated April 07, 2017 (ITFG – 5 (Revised)), the deemed cost of property, plant and equipment as at the transition date has been increased by ₹ 2,678.52 lakhs as at March 31, 2017 (April 01, 2016- ₹ 2,116.42 lakhs) being the unamortised EPCG scheme with corresponding increase in other non-current liabilities/other current liabilities as on the date of the transition. Government Grant recognised under EPCG scheme and TUFS capital subsidy has been apportioned equivalent to the depreciation on EPCG and TUFS capital subsidy (Refer Note 46). The Group has provided incremental depreciation to the extent of ₹ 4,650.87 lakhs for the year ended March 31, 2017 (₹ 4,102.21 lakhs for the year ended April 01, 2016) on the government grant.

Note 5:- Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. acturial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of Statement of Profit and Loss under the previous GAAP. Consequently, the Loss for the year ended March 31, 2017 increased by ₹ 23.67 lakhs. There is no impact on the total equity and Loss.

Note 6:- Deferred Tax

Under previous GAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS approach has resulted in recognition of deferred taxes on temporary differences

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

which were not recorded under previous GAAP. Further, the various transitional adjustments have led deferred tax implication which the Group has accounted for. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or other comprehensive income, on the date of transition.

Note 7:- Cash discount on purchases

Under previous GAAP, cash discount on purchases were classified under 'Other Income'. However, as per Ind AS, it is shown as reductions from Cost of materials consumed. Accordingly, cash discount of ₹ 3.01 Lakhs have been reclassified from other income and shown as reduction from cost of materials consumed. There is no impact on the total equity and loss.

Note 8:- Discounts and Incentives to customers:

Group runs various promotional programmes for its customers. The fair value of those discounts/incentives given to the customers and has reduced it from the total sales consideration to record revenue on net basis. This change has resulted in a decrease in total revenue and decrease in total expenses for the year ended March 31, 2017 by ₹ 975.07 Lakhs. There is no impact on the total equity and Loss.

Note 9:- Bill Discounting, Acceptances and Supplier Credit

Under previous IGAAP, bill discounting is netted against debtors. However, as per Ind AS based on criteria of derecognition of assets, the bill discounting is to be shown as separate liability under borrowings without netting of debtors. Further, acceptance and supplier's credit is shown in the borrowings instead of trade payable. There is no impact on the total equity and Loss.

Note 10:- Investment Property

Under the previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit / loss as a result of this adjustment.

Note 11:- Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes remeasurements of defined benefit plans and fair value gains or losses on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

Note 12:- Retained Earnings:

Retained earnings as at April 01, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

Note 13:- Others

Others mainly comprises of:-

(a) Inventory- Under Indian GAAP, the Company was using different techniques for measurement of cost of similar inventories at various locations. However as per Ind AS-2, an entity shall use the same cost formula for all inventories having a similar nature and use to the entity. For inventories with a different nature or use, different costs formulas may be justified. Accordingly the Company has applied the same formula for valuation of inventory where there is similar nature or use of inventory and aligned the valuation method used in various division. The effect of the same for both the years are considered in total equity as on March 31, 2017 and April 01, 2016 and under Total Comprehensive Income for the year ended March 31, 2017;

(b) Impact of transaction costs in respect of borrowings to be deducted from the carrying amount of borrowings on initial recognition and are recognized in the Statement of Profit and Loss over the tenure of the borrowings as the part of the interest expense by applying the effective interest rate method; and

(c) Impact of foreign exchange forward contracts which are marked to market as at each Balance sheet date.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 14:- As required under paragraph (10C) of Ind AS 101, the Group has reclassified items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs.

Note 51

(i) As legally advised, the group has not recognized as income recovery of rent and other charges of ₹83.61 lakhs upto 31st March, 2018 (₹ 83.61 lakhs upto 31st March, 2017) pending final resolution of legal dispute with certain ex-tenants of a property in South Mumbai. At present, the legal dispute is pending with the Hon'ble Bombay High Court. A sum of ₹ 577.89 lakhs (Net) was withdrawn by the group in accordance with the Orders passed by the Hon'ble High Court of Bombay on the Civil Revision Applications filed by the ex-tenants and the said amount of ₹ 577.89 lakhs has been included in other current/non-current liabilities.

(ii) In an earlier year, the group had sold part of its leasehold land at its Mazgaon unit. the group 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 group 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 group.

(iii) Pursuant to the demerger of the Real Estate and Investment Business to Sulakshana Securities Limited (SSL) in 2002, the shareholders of the group 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 group as consideration for the demerger, aggregating to ₹1.00 lakh. As the shareholders of the group 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 group would receive proportionate payment in consideration thereof. The group has received the said amount of ₹ 1.00 lakh from NFIL on behalf of the shareholders, which is pending disbursement upon completion of formalities.

(iv) As reported earlier, Writ Petition No.2982 of 2016 filed by the group (along with Notice of Motion taken out therein) in the Hon'ble Bombay High Court, inter alia, challenging the illegal handing over of a part of land at Mazagaon (Reserved Land) by the Collector to Municipal Corporation of Greater Mumbai, which is required to be surrendered by the group in lieu of eligibility of Non-cash Compensation, is pending. Status quo Orders are continuing in respect of the said Reserved Land and accordingly the group continues to remain in possession of the said Reserved Land.

(v) The consolidated financial statements of the Group - Mafatlal Industries Limited have been prepared in accordance with Indian Accounting Standard (Ind.AS)-110 on 'Consolidated Financial Statements'. The details of such entities are as under:

Name of the entity	% Holding of the Company
Mafatlal Services Limited (subsidiary incorporated in india)	88.00%
Ibiza Industries Limited	54.89%
Sunanda Industries Limited	94.00%
Al Fahim Mafatlal Textile LLC-UAE	49.00%
Mafatlal Limited (Incorporated in United Kingdom)	29.83%
Mafatlal Engineering Industries Limited (Incorporated in United Kingdom)	22.18%
Mafatlal Global Apparel Limited (since 29th September 2012)	-

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

(a) There has been no change in the percentage holding of the Company in its three subsidiaries existing as at the year ended 31st March 2017 & March 31, 2018.

(b) Consequent to Ibiza Industries Limited (IIL) and Sunanda Industries Limited (SIL) which have gone under liquidation in the earlier years, the Company effectively has no control over IIL and SIL. The liquidation is being carried out by court appointed liquidator. In absence of power over the relevant activities and variable returns, the Company effectively has no control over above entities. Hence, in accordance with the requirements of Ind AS -110 on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India (ICAI) and specified under Section 133 of the Companies Act, 2013, the same have not been consolidated.

(c) In case of Al Fahim Mafatlal Textile LLC- UAE- the joint venture, it is in the process of liquidation and hence the Company does not have joint control over the entity. Accordingly the unaudited financial statement have not been considered for consolidation.

(d) Mafatlal Global Apparel Limited ceases to be an associate with effect from March 23, 2015.

(e) The other entities are in the process of liquidation and the company ceases to have any significant influence over these entities and accordingly they have not been considered for consolidation.

Note 52

The Ministry of Corporate Affairs ('MCA') in its' notification dated 30th March 2017 ammended Schedule III to the Companies Act, 2013 requiring Companies to provide the following disclosure in the financial statement in respect of Specified Bank Notes ('SBN') held and transacted during the period 8th November 2016 to 30th December 2016:

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 8th November 2016	8.86	17.50	26.36
(+) Permitted Receipts	0.02	75.70	75.72
(-) Permitted Payments	5.00	75.48	80.48
(-) Amount Deposited in Banks	3.87	1.15	5.02
Closing Cash in Hand as on 30th December 2016	**-**	**16.57**	**16.57**

Note 53

(i) Export Promotion Capital Goods (EPCG) scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant.

In terms of our report attached.

For Price Waterhouse Chartered Accountants LLP
Registration No.012754N / N500016

Priyanshu Gundana
Partner
Membership No. 109553

Mumbai, May 3, 2018

For and on behalf of the Board of Directors

H. A. Mafatlal
Chairman
(DIN:00009872)

P. H. Mafatlal
Executive Director
(DIN:02433237)

Aniruddha Deshmukh
Managing Director &
Chief Executive Officer
(DIN:01389267)

Directors
V. R. Gupte (DIN:00011330)
A. K. Srivastava (DIN:00046776)
P. N. Kapadia (DIN:00078673)
G. G. Chakravarti (DIN:00004399)
S. A. Shah (DIN:00058019)
L. P. Pradhan (DIN:07118801)

Ashish A. Karanji
Company Secretary

Milan Shah
Chief Financial Officer

Mumbai, May 3, 2018

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2018

(All amounts in ₹ Lakhs, unless stated otherwise)

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of the subsidiary and the joint venture.

Part "A" Subsidiary

Srl no.	Name of the Subsidiary Company	Mafatlal Services Limited
1	Reporting period for the subsidiary concerned, if different form the holding company's reporting period	April 1, 2017 to March 31, 2018
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the each of foreign subsidiaries	INR
3	Share capital	310.00
4	Other Equity	(270.87)
5	Total assets	46.89
6	Total Liabilities	7.76
7	Investments	-
8	Turnover	22.66
9	Profit before taxation	-
10	Provision for taxation	-
11	Profit after taxation	-
12	Proposed Dividend	-
13	% of shareholding	88%

1. Names of subsidiaries which are yet to commence operations: None
2. Names of subsidiaries which have been liquidated or sold during the year: None

Mafatlal

MAFATLAL INDUSTRIES LIMITED

Regd. Office : 301-302, Heritage Horizon, Sird Floor, off. C. G. Road, Ahmedabad. 380 009.
Tel: 91 79 2644 4404/06 F: 91 79 2644 4403
Website : www.mafatlals.com Email: ahmedabad@mafatlals.com
CIN: L17110GJ1913PLC000035

Dear Shareholder,

We are pleased to offer you a coupon for 12% discount up to a limit of Rs.5000/- on purchase of fabrics and ready-made garments, from any of the MAFATLAL FAMILY SHOPS (printed overleaf).

We would like to inform you that the entire range of fabrics i.e. Suitings, Shirtings, Rubia, School Uniforms and Ready-mades with the brand name "TRENDZ" are available.

The discount will be at prevailing rates plus taxes as applicable. Please note that the validity of the coupon will not be extended. The coupons may be utilized at the earliest to avoid non-availability of the desired varieties.

Please do not detach coupons and present it intact at the time of purchase.

Date : 3rd May, 2018

Yours faithfully,
For Mafatlal Industries Limited

Ashish A. Karanji
Company Secretary

LIST OF MAFATLAL FAMILY SHOPS

MAHARASHTRA:

ARADHANA

PLOT NO. 157, SHOP NO. 6, JAWAHAR NAGAR ROAD NO.1, GOREGAON (WEST), MUMBAI-400062

BHAVANI COLLECTION

8, DEVDHARA BUILDING, LAXMIBAI LAD ROAD, OPPOSITE PATEL COLONY, DAHISAR, MUMBAI-400068

CHOICE CLOTH CENTRE

5/6, JAYPRAKASH ROAD, SAKINAKA, ANDHERI (WEST), MUMBAI-400058

FAIR PRICE CLOTH SHOP

3/4, SAMBHAVA CHAMBERS, 201 SIR P.M. ROAD, FORT, MUMBAI-400001

JAYSHREE

SHOP NO. 2 & 3, BUILDING NO. B-54, SECTOR-3, SHANTI NAGAR, MIRA ROAD (EAST), MUMBAI-401107

KAMAL FABRICS

718, GORA GANDHI APARTMENTS, CHANDAVARKAR ROAD, BORIVALI (WEST), MUMBAI-400092

KINGS

KEDIA SHOPPING CENTRE, OPPOSITE RAILWAY STATION, MALAD (WEST), MUMBAI-400064

MEHTA STORES

581, STATION ROAD, KURLA (WEST), MUMBAI-400070

VENGUARD

PREMSONS SHOPPING CENTRE, TEHIRA COMPOUND, CAVES ROAD, JOGESHWARI (EAST), MUMBAI-400060

PRINCE

SHOP NO. 1 & 2, AGARWAL BHATIA COMPLEX, NEAR SHIVAJI STATUE, PANVEL,NAVI MUMBAI-410206

HIRAL COLLECTION

SHOP NO. 2, SAI DHAM BUILDING, TULINJ ROAD, NALASOPARA (EAST), THANE DISTRICT-401209

JEEVAN

6, KAMAL KUNJ, B.P. ROAD, OPPOSITE POST OFFICE, BHAYANDER (EAST), THANE-400105

TULSI

A-10, MAHAVIR APARTMENTS, STATION ROAD, BHAYANDER (WEST), THANE-401101

VIDHATA

NEAR PRABHAT TALKIES, OPPOSITE TALAO PALI, DR. MOOSE ROAD, THANE-400601

GUJARAT:

ADARSH

C-27, SURYA COMPLEX, GURUKULMEM NAGAR, AHMEDABAD-380052

AKASH

(PRESTIGIOUS SHOW ROOM) MANGALMAY COMPLEX, OPPOSITE GOPAL TOWER, MANINAGAR, AHMEDABAD-380008

DARSHAN

5, KARISHMA COMPLEX, STADIUM CIRCLE, C.G. ROAD, AHMEDABAD-380009

VAISHALI CHAUTA BAZAR,

ANKLESHWAR-393001
FAIR PRICE CLOTH STORES ORIENTAL BUILDING, RELIEF ROAD, AHMEDABAD-380001

FAIR PRICE CLOTH STORES

SUPER MARKET, NEAR NATRAJ THEATRE, ASHRAM ROAD, AHMEDABAD-380009

KANTA

19, AGARWAL TOWER, 1ST FLOOR BHUJANGDEV, CHAR RASTA SOLA ROAD, AHMEDABAD-380061

KRISHNA

G-5, GOPAL SHOPPING CENTRE, OPPOSITE ROSEWOOD PLAZA, JODHPUR SATELLITE, AHMEDABAD-380015

MANSAROVAR-NX

5, DEV ARCHAN COMPLEX, OPPOSITE KOCHRAB ASHRAM, PALDI, AHMEDABAD-380007

SHALIBHADRA

11, AJANTA COMMUNITY CENTRE, NEAR INCOME TAX ASHRAM ROAD, AHMEDABAD-380014

OM COLLECTION

7 JAY BHERUNATH TOWER, SOMNATH ROAD, BILLIMORA-396461
ANUBHARTI JEMSON HOUSE, NEAR LAXMI CINEMA, JUNA ROAD, ANAND-388001

PRESIDENT EMPORIUM (PRESTIGIOUS SHOWROOM)

7-8, CHINAR GULNAR COMPLEX, VIDYANAGAR ROAD, ANAND-388001
SH FASHIONS (EXCLUSIVE STORE) 3, SILVER LINK, OPP HDFC BANK, LINK ROAD, BHARUCH -392001

KALADARSHAN

21, PANAM PLAZA, OPPOSITE RELIEF CINEMA, PANCHAVATI, BHARUCH-392001

VINAY TRADERS

SHOP NO. 4, ZILLA PANCHAYAT SHOPPING CENTRE, OPPOSITE S.T. DEPOT, BHARUCH-392001

MY CHOICE BAHUBALI COMPLEX, KALA NALA, BHAVNAGAR-364001

VAIBHAV

OPP. SARDAR BHAVAN, RAOPURA, VADODARA-390001

FAIR PRICE CLOTH STORES

SECTOR 16, NEAR SHALIMAR CIMEMA, GH ROAD, GANDHINAGAR-382016

HARSH

3/342, BEHIND TALUKA PANCHAYAT, JAWANPURA, IDAR-383430

KALANIKETAN

NEAR RAJ CLOTH CENTRE, VORVAD NAKA, KAPADWANJ-387620

KASHYAP STATION ROAD, NEAR LAXMI CINEMA, NADIAD-387001

R. K. TEXTILES

5, SANTRAM MARKET, NADIAD-387001

THE NEW SHORROCK MILLS CO-OP CON. SOC. LTD., BHAVSARVAD, NADIAD–387041

THE NEW SHORROCK MILLS

CO-OP CON. SOC. LTD., MILL GATE, NADIAD-387041

YES MEN

SARDAR PRATIMA ROAD, STATION ROAD, NEAR SANTRAM SUPERMARKET, NADIAD-387001

MAFATLAL MILLS

EMP. CO. OP. CR. SOC., TRIMURTI, MADHOMADHI, NAVSARI-396445

MAFATLAL MILLS

EMP. CO. PO. CR. SOC., MILL GATE, NAVSARI-396445

RIDDHIKA FABRICS (PRESTIGIOUS SHOW ROOM) SUDAMA ROAD, PORBANDAR-360575

JANPRIYA FABRICS

DR. LALUBHAI CENTRE, 1ST FLOOR, SRI LAKHAJI ROAD, RAJKOT-360001

VARDHAMAN

(PRESTIGIOUS SHOW ROOM) 1-2, TOPAZ ARCADE, DR. YAGNIK ROAD, RAJKOT-360001

LAXMINARAYAN STORES

JAWAHAR ROAD, RAJULA CITY, DISTRICT AMRELI-364555

FAIR PRICE CLOTH SHOP

CHAUTA BRIDGE, MAIN ROAD, SURAT-395001

SHUBH

(PRESTIGIOUS SHOWROOM) KAPATORA ROAD, SURAT-395006

UTSAV

(PRESTIGIOUS SHOW ROOM) 104 TO 107, RAMNIVAS BUILDING, VARACHHA ROAD, OPPOSITE SUPER DIAMOND MARKET, SURAT-395006

SHAH RANCHHODDAS
SHANKARLAL OAD BAZAR, UMRETH–388220

FAIR PRICE CLOTH STORES

M.G. ROAD, VADODARA -390001

MADHU KUNJ

34, ARPAN COMPLEX, DELUXE CHAR RASTA, NIZAMPURA, VADODARA-390002

MAHI COLLECTION-NX

270, SWAMINARAYAN NAGAR, MARUTI COMPLEX, NEW CHANNI ROAD, VADODARA-390024

PREMKUNJ

(PRESTIGIOUS SHOW ROOM) 6-10, VIMAL RATH PLAZA, SUBHANPURA, VADODARA-390001

REAL CHOICE

19-20, VIP VIEW COMPLEX, VIP ROAD, KARELI BAUG, VADODARA-390008

SHEETAL EMPORIUM

(PRESTIGIOUS SHOW ROOM) NARBADA APARTMENTS, NAVRANG CINEMA ROAD, VADODARA-390001

SUMAN

(PRESTIGIOUS SHOW ROOM) 13/14, ALKAPURI ARCADE, R.C. DUTT ROAD, VADODARA-390007

VISHAL

SATTA BAZAR, VERAVAL-362265 NATIONAL EMPORIUM MAIN ROAD, VISNAGAR-384315

FLYING BIRDS

RANJIT ROAD, JAMNAGAR-361008

KRISHNA SELECTION

G-39/40, GOPAL TRADE CENTER, PALANPUR-385001

GAYATRI EMPORIUM

SHOP No-5, MU, RADHESHYAM PARK, HALDHARWAS, GUJARAT

MADHYA PRADESH:

CLOTH CENTRE

CHOWK BAZAR, BHOPAL-462001

SWASTIK

39, M.T. CLOTH MARKET, INDORE-452002

RAJASTHAN:

VASTRALANKAR

825-826, STATION ROAD, KAISER GANJ, AJMER-305001

SANSKAR

225, HOPE CIRCUS, ALWAR-301001 ROOPAM SOJATI GATE, JODHPUR-342001

DELHI:

SAPNA KAPAHI & COMPANY

11, D-38, LAJPAT NAGAR, DELHI-110024

PUNJAB:

PRABHJI HARJI EMBROIDERY

17, KAIRON MARKET, AMRITSAR–143006

NEW TEXTILE TRADERS

CIVIL LINES, G.T. ROAD, JALANDHAR-144003

TIRUPATI'S CHAURA

BAZAR, ADJ. SBI BANK, LUDHIANA-141008

KARNATAKA:

GAUTAM

3/40, SHREEPAL COMPLEX, HUNS TALKIES ROAD, BELGAUM-590001

UTTAR PRADESH:

BHAVANI & SONS

(PRESTIGIOUS SHOW ROOM) 33/12, SANJAY PALACE, AGRA -282002

KALRA COLLECTION SHOP

NO. 8, CENTRAL BUSINESS PARK, NEAR CENTRAL BANK, KAMLA NAGAR, AGRA-282004

PIPERSIANA BANDHU

MAHALAXMI DEVI ROAD, BANDA–210001

PRAKASH VASTRALAYA
KAITHI BAZAR, BANDA–210001

FABRICS CENTRE

118/7, KAUSHAL PURI, OPPOSITE BANK OF INDIA, KANPUR-208012

GAGAN

ALAM BUILDING, LUCKNOW

K.R. SONS B-3/1Q9, VIVEK KHAND, GOMTINAGAR, LUCKNOW-226010

LUCKNOW CLOTH CENTRE 92/59, AMINABAD PARK ROAD, LUCKNOW-226001

RAMSONS HUSSAIN GUNJ, LUCKNOW

RAVI

DALI GUNJ, LUCKNOW WEST BENGAL: M/S SHARDA 489, B.C. ROAD, BURDWAN-713101

NEW SILSONS

4/D, RASHBEHARI AVENUE, KOLKATA-700029

AMARDEEP

BENA CHITY, DURGAPUR, BURDWAN, WB-712713 SATYAM SHIVAM ARBINDA SARANI, HATHI BAGAN CROSSING, KOLKATA-700005

CHETALI

62, G.T. ROAD, SERAMPORE-712201

BIHAR:

ROYAL COLLECTION WEAR

KAYAST PATTI, CHRISTIAN QUARTER, NEAR RAJGURU CHOWK, BETTIAH-845438

KULDIP VASTRALAYA

GOLGHAR CHOWK, PATNA–800001

JHARKHAND:

YOGESH TEXTILES

9, MAIN ROAD, BISTUPUR BAZAR, JAMSHEDPUR-831001

CHHATTISGARH:

FASHION MALL

A-73, TEXTILES MARKET, GATE NO. 1, PANDRI, RAIPUR-492001

ANDHRA PRADESH:

SRI PADMA TEXTILES MAIN ROAD, RAJAHMUNDRY-533101

KERALA:

VYSAKH

MAIN BAZAR, THALASSERY, DISTRICT KANNUR-670101

TAMIL NADU:

SREE SATHYAMS

C.S.L. SHOPPING COMPLEX, 163 BROUGH ROAD, ERODE-638001

BHAVANI

10, BOSE BAZAR, DISTRICT DHARAMPURI, HOSUR-635109

MANGAI

NEYVELI TOWNSHIP, NEYVELI-607803

SHYAMAL FASHIONS

25-E, 1ST AGRAHARAM, SALEM-636001

RAGA'S CLOTHING

38, NAWAB COMPLEX, N.S.B. ROAD, TRICHY-620002

TRIPURA:

SAMRAT

H.G.B. ROAD, AGARATALA -799001

Mafatlal

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

Registered Office : 301-302, Heritage Horizon, 3rd Floor, Off: C G Road, Navrangpura, Ahmedabad 380009. Email: ahmedabad@mafatlals.com Website: www.mafatlals.com Tel: 91-79-26444404 - 06, Fax: 91-79-26444403

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 104th Annual General Meeting of the Company, to be held on Tuesday, 31st day of July, 2018 at 10.00 A.M at J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad - 380015 and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS

1 Adoption of Audited Financial Statements (Standalone & Consolidated both) including the statement of Profit and loss for the Year ended 31st March, 2018 and Balance sheet as at date, the Directors' Report and Auditors' Report thereon.

2 Appointment of Shri Aniruddha P Deshmukh, a Director, who retires by rotation.

3 Ratification of Appointment of M/s. Price Waterhouse Chartered Accountants LLP, as Auditors of the Company, from the Conclusion of this Annual General Meeting until the conclusion of 108th Annual General Meeting.

SPECIAL BUSINESS

4. Special Resolution for approval of Managerial Remuneration to Shri Aniruddha P. Deshmukh for his remaining term of two years i.e. from 13th August, 2018 to 12th August, 2020 pursuant to provision of schedule V to the companies Act. 2013.

5. Ordinary Resolution under section 148 (3) of the Companies Act, 2013 for approval of remuneration payable to Shri B. C. Desai, Cost Accountant, Ahmedabad as the Cost Auditor of the Company for the year 2018-19.

6. Ordinary Resolution for approval of reclassification of certain persons/entities as Non-promoter/Public shareholders as per Resolution.

Signed this ________ day of __________2018.

Signature of the Shareholder ....

Signature of Proxy holder(s) ....

Affix Revenue Stamp Re.1/-

Notes: 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.

Mafatlal

MAFATLAL INDUSTRIES LIMITED

CIN L17110GJ1913PLC000035
Registered Office: 301-302, Heritage Horizon, 3rd Floor, Off: C G Road,
Navrangpura, Ahmedabad 380009.
Tel. 91-79-26444404 - 06, Fax: 91-79-26444403,
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 104th Annual General Meeting of the Company, to be held on **Tuesday, 31st July, 2018 at 10.00 a.m.** at J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad-380 015.

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 Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032, India. Tel: 040 6716 2222 Fax: 040 2342 0814 E-mail: einward.ris@karvy.com website: www.karvycomputershare.com

*Applicable for investors holding shares in Electronic (Demat) Form.

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Route Map to the Venue 104th Annual General Meeting of the Shareholders of the Company
Tuesday, 31st day of July, 2018 at 10.00 AM
Venue: J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus,
Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad-380 01

Landmark: Indian Institute of Management (IIM) Road, Ambawadi.
Distance from Ahmedabad Stock Exchange, Panjara Pol, Ambawadi: 0.5 km
Distance from Indian Institute of Management: 2.0 km

ARVIND MAFATLAL GROUP
The ethics of excellence

Mafatlal

MAFATLAL INDUSTRIES LIMITED

Kaledonia, 6th Floor, Sahar Road, Andheri (E), Mumbai 400 069. Telephone: +91-22-67713800 / 900, Fax: 67713924 / 25
www.mafatlals.com / Email: marketing@mafatlals.com

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