



MAFATLAL INDUSTRIES LIMITED

Regd. Office : 301-302, Heritage Horizon, 3rd Floor, Off. C.G. Road,
Navrangpura, Ahmedabad 380 009. Email : ahmedabad@mafatlals.com
Tel. : 079 26444404-06 Fax : 079 26444403

Corp. Off.: Kaledonia Building, Off. No.3, 6th Floor, Opp. Vijay Nagar Society,
Sahar Road, Off Western Express Highway, Andheri (East), Mumbai 400 069
Tel. : 022 67713800 Fax : 91 22 67713924/25
CIN : L17110GJ1913PLC000035 Website: www.mafatlals.com

July 09, 2019

To:
BSE Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001

BSE Scrip Code: 500264

Dear Sir,

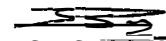
Re: Intimation pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith our 105th Annual Report of the Company containing Audited Financial Statements (Standalone & Consolidated, both) for the Financial Year ended 31st March, 2019 including Statement of Profit & Loss for the year ended 31st March, 2019 and the Balance Sheet as at that date, the Directors' Report, the Auditor's Report and other requisite information and disclosures attached thereto.

Kindly take the above on your record.

Thanking you,

Yours faithfully,
For MAFATLAL INDUSTRIES LIMITED,


ASHISH A. KARANJI
COMPANY SECRETARY
Encl: As above



ARVIND MAFATLAL GROUP
The ethics of excellence

ANNUAL REPORT
105TH
2018-2019

Mafatlal[®]

MAFATLAL INDUSTRIES LIMITED



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', hopefully, optimistic, likely, 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.

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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 A. P. Deshmukh (up to 31/03/2019)	(DIN: 01389267)	Managing Director & CEO
Shri P. H. Mafatlal (CEO w.e.f. 01/04/2019)	(DIN: 02433237)	CEO & Executive Director

Company Secretary

Shri A. 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@mafatal.com
Website: www.mafatal.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

Shareholders' Information

105th Annual General Meeting on Friday, the 2nd August, 2019
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 Fintech Pvt. Ltd.
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Serilingampally
Hyderabad - 500 032, Telangana, India Tel: 040 6716 2222
Fax: 040 2342 0814 E-mail: einward.ris@karvy.com
website: www.karvyfintech.com

Investor Relations Centre

Karvy Fintech Private Limited

(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, Rajabhadur Mansion, Ground floor, Ambalal
Doshi Marg, Fort, Mumbai 400 023. Tel. 022-66235454
Fax 022-66331135

Notes

- 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.
- The Shares of the Company are listed on BSE Ltd. and the Listing Fee for the Exchange have been paid by the Company for the year 2019-20.
- 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.
- 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.
- 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.mafatal.com under "Financial & Disclosure" Section, which is available for download by shareholders.
- Notice of E-voting with instructions, is issued to all shareholders along with this Annual Report.**

Please note the following:

- Commencement of remote e-voting: 9.00 a.m. on 30th July, 2019.**
- End of remote e-voting: 5.00 p.m. on 1st August, 2019.**
- Declaration of Results of Voting: within 48 Hours of 105th AGM.**

NOTICE

NOTICE IS HEREBY GIVEN THAT 105th Annual General Meeting (“AGM”) of the Members of Mafatlal Industries Limited will be held **on Friday, the 2nd day of August, 2019 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, 2019 including Statement of Profit & Loss for the year ended 31st March, 2019 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 Hrishikesh A. Mafatlal (holding DIN 00009872) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

- (3) To consider and, if thought fit, to pass 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 lacs (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 Bhalchandra C. Desai, Cost Auditors, (Membership No. M-1077), for conducting the audit of Cost Accounting Records relating to the 'Textiles Products' manufactured and marketed by the Company for the year 1st April 2019 to 31st March 2020 be and is hereby approved and ratified.”
- (4) To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (the “Act”) and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Shri Atul K. Srivastava (holding DIN: 00046776), [who was appointed as a Non- Executive (Non-Independent) Director earlier], being eligible, and in respect of whom the Company has received notices in writing under section 160 of the Act from the members proposing his candidature as an Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 consecutive years from 5th August 2019 to 4th August, 2024.”
- (5) To consider and if thought fit, to pass the following resolution as a **Special Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (the “Act”) and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended Shri Vilas R. Gupte (holding DIN: 00011330) who was appointed as an Independent Director of the Company for holding office up to 4th August, 2019 and being eligible, and in respect of whom the Company has received notices in writing under section 160 of the Act from the members, proposing his reappointment as an Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term for a period of 5 consecutive years from 5th August, 2019 to 4th August, 2024 and that such term be continued notwithstanding that he shall cross the age of 75 years during such tenure.”
- (6) To consider and if thought fit, to pass the following resolution as a **Special Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (the “Act”) and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Shri Pradip N. Kapadia (holding DIN: 00078673) who was appointed as an Independent Director of the Company for holding office up to 4th August, 2019 and being eligible, and in respect of whom the Company has received notices in writing under section 160 of the Act from the members proposing his reappointment as Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term for a period of 5 consecutive years from 5th August 2019 to 4th August, 2024.”
- (7) To consider and if thought fit, to pass the following resolution as a **Special Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (the “Act”) and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) 2015 as amended, Smt. Latika P. Pradhan (holding DIN: 07118801) who was appointed as an Independent director of the Company for holding office up to 16th April, 2020 and being eligible, and in respect of whom the Company has received notices in writing under section 160 of the Act from the members proposing her re-appointment as an Independent Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term for a period of 5 consecutive years from 17th April, 2020 to 16th April, 2025.”
- (8) To consider and if thought fit, to pass the following resolution as a **Special Resolution**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Shri Gautam G. Chakravarti (holding DIN: 00004399) who was appointed as an Independent Director of the Company for holding office up to 29th May, 2020 and being eligible, and in respect of whom the Company has received notices in writing under section 160 of the Act from the members proposing his reappointment as an Independent Director be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term for a period of 5 consecutive years from 30th May, 2020 to 29th May, 2025.”

- (9) To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Shri Sujal A. Shah (holding DIN: 00058019) who was appointed as an Independent Director of the Company for holding office up to 29th May, 2020 and being eligible, and in respect of whom the Company has received notices in writing under section 160 of the Act from the members proposing his re-appointment as an Independent Director be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term for a period of 5 consecutive years from 30th May, 2020 to 29th May, 2025.”

- (10) To consider and, if thought fit, to pass 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 equity shares of ₹10/- each held in the Company as on 31 st March, 2019 & 16 th May, 2019
1	Mrs Vijayalaxmi Navinchandra Mafatlal Public Charity Trust No 20	393
2	Mrs Miloni Padmanabh Mafatlal Public Charitable Trust No 5	196
3	Mrs Miloni Padmanabh Mafatlal Public Charitable Trust No 4	624
4	Mrs Miloni Padmanabh Mafatlal Public Charitable Trust No.3	624
5	Navinchandra Mafatlal Charity Trust No 3	786
6	Navinchandra Mafatlal Charity Trust N0 8	786
7	Navinchandra Mafatlal Charity Trust No 7	786
8	Navinchandra Mafatlal Charity Trust No 5	786
9	Navinchandra Mafatlal Charity Trust No 6	786
10	Navinchandra Mafatlal Charity Trust No 4	786
11	Navinchandra Mafatlal Charity Trust No 2	786
12	Navinchandra Mafatlal Charity Trust No 15	786
13	Navinchandra Mafatlal Charity Trust No 14	786
14	Navinchandra Mafatlal Charity Trust No 13	786
15	Navinchandra Mafatlal Charity Trust No 12	786
16	Navinchandra Mafatlal Charity Trust No 11	786
17	Navinchandra Mafatlal Charity Trust No 9	786
18	Navinchandra Mafatlal Charity Trust N0 10	786
19	Shri Pransukhlal Charity Trust No 5	786
20	Shri Pransukhlal Charity Trust No 6	786
21	Shri Padmakesh Public Charity Trust No 1	542
22	Shri Padmakesh Public Charity Trust No 2	542
23	Shri Padmakesh Public Charity Trust No 3	542
24	Shri Padmakesh Public Charity Trust No 4	542
25	Shri Pransukhlal Charity Trust	786
26	Shri Pransukhlal Charity Trust No 4	786
27	Shri Pransukhlal Charity Trust No 3	786
28	Shri Pransukhlal Charity Trust No 2	786
29	Vishad Padmanabh Mafatlal Public Charitable Trust No 4	624
30	Vishad Padmanabh Mafatlal Public Charitable Trust No 3	624
31	Mrs. Vijayalaxmi Navinchandra Mafatlal Public Charity Trust No 16	393
32	Mrs Vijayalaxmi Navinchandra Mafatlal Public Charity Trust No 19	393
33	Vishad P Mafatlal Public Charitable Trust N0.1	624
34	Vishad Padmanabh Mafatlal Public Charitable Trust No 2	624
35	Mrs Miloni Padmanabh Mafatlal Public Charitable Trust No 1	624
36	Mrs Miloni Padmanabh Mafatlal Public Charitable Trust No 2	624

"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 the necessary application for re-classification to the concerned Stock Exchange wherein the securities of the Company is 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: 16th May, 2019

Ashish A. Karanji
Company Secretary
(ACS :15561)

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.
- The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of **Item Nos. 3 to 10** mentioned in the above Notice, is annexed hereto marked as **Annexure I** to this notice.
- The Register of Members and the Share Transfer Books of the Company will remain closed from **Saturday 27th July, 2019 to Friday, 2nd August, 2019 (both days inclusive) for the purpose of annual closing and Annual General Meeting.**
- Members holding shares in physical form are requested to consider converting their holding to dematerialized form. Pursuant to SEBI norms, with effect from 1st April, 2019, share transfers can not be effected in physical form. The transfer deeds once lodged prior to the 31st March, 2019 deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of 1st April, 2019. The Company has already sent out three reminders through permitted modes to all shareholders notifying the said development including the mandatory submission of KYC documents i.e. PAN, Bank Details etc.**
- The Notice of the AGM is a part of the Annual Report 2018-19 and the same is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/DP, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. After the dispatch is completed, the annual report will be posted on the Company's website www.mafatlals.com under "Financial & Disclosures" section.
- As required under the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and other applicable provisions, e-voting facility is being provided to the Members. Details of the e-voting process and other relevant details/instructions are sent separately along with the Notice.
- Members are requested to note that pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, **all equity shares of the Company on which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the Company to Investor Education and Protection Fund.** The details of the Members, who have not encashed their dividend warrants for earlier years, are available under the 'Financials & Disclosures' 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. **A separate Notice under IEPF Rules is also being sent to the concerned share holders whose shares are liable to be transferred to IEPF in August, 2020, if they do not encash their unpaid/unclaimed dividend on or before 31st July, 2020.**
- Pursuant to Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the requisite information inter alia containing the remuneration paid to the Directors seeking **appointment/re-appointment is a part of the explanatory statement annexed hereto and marked as Annexure I to this notice.**
- The route map and prominent land marks of the venue of the AGM is provided in the Annual Report and the same shall also be available on the Company's website www.mafatlals.com

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 Statements set out all material facts in respect of Items of Special Business mentioned at **Sr. No. 3 to 10** of the Notice dated 16th May, 2019.

In respect of Item No. 3:

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 the cost accounting records maintained by the Company in compliance of the applicable provisions. 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 Company for the 'Textiles' products manufactured and marketed by the Company for the year 1st April, 2019 to 31st March, 2020 on a proposed remuneration of ₹ 6,25,000/- plus taxes and re-imbursement of out of pocket expenses incurred for the purpose of the audit. The Board of Directors recommend passing of the Resolution at Item No. 3 of the Notice.

None of the Directors, Key Managerial Personnel and/or their relatives is concerned or interested in the resolution.

In respect of Item No. 4

Shri Atul Kumar Srivastava (holding DIN: 00046776), aged 67 years, is a Science Graduate and a Chartered Accountant having an experience of over 45 years at various companies in the field of corporate finance, accounts, legal, commercial, restructuring etc. He was re-appointed as a Non-Executive Non-Independent Director of the Company at 103rd Annual General Meeting of the shareholders of the company held on 2nd August, 2017 liable to retire by rotation. He is a member of CSR Committee and Chairman of Stakeholders Relationship Committee of the Board.

The Company has received declaration and confirmation from Shri Atul Kumar Srivastava inter alia confirming that he meets the criteria of independence as prescribed under Section 149 of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and that he does not suffer from any disqualifications for his appointment as Independent Director and consented for the appointment.

After due performance evaluation of Shri Atul Kumar Srivastava carried out based on the criteria of evaluation framed, and recommended by the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 16th May, 2019 has approved his appointment as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 consecutive years viz. from 5th August, 2019 to 4th August, 2024 subject to the approval of the shareholders.

In the opinion of the Board, Shri Atul Kumar Srivastava fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder read with the provisions of SEBI (LODR) Regulations, 2015 as amended for his appointment as an Independent Director of the Company and in respect of whom the Company has received notices in writing under section 160 of the Act from members of the Company proposing his candidature as an Independent Director. He is independent of the Company's Management & Promoters. Having regard to his qualifications, knowledge and experience, his appointment as an Independent Director will be in the interest of the Company. He does not hold any shares in the Company.

The draft letter for appointment to be issued to Shri Atul Kumar Srivastava as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day (Monday - Friday). The Board recommends his appointment as an Independent Director.

None of the Directors, key managerial personnel and / or their relatives, are concerned or interested in the resolution except Shri Atul Kumar Srivastava and his relative/s.

In respect of Item Nos. 5 & 6:

Shri Vilas R. Gupte (holding DIN: 00011330), aged 74 years (date of birth 09/09/1944) is a Commerce Graduate and a Chartered Accountant. He is on the Board of the Company since 30th May, 2013. He has experience of more than 51 years with various companies in the field of corporate management, Finance, legal and commercial matters. He is presently a Non-Executive Independent Director on the Board of Directors of the Company. He is a Member of Nomination & Remuneration Committee and Chairman of Audit Committee of the Board.

Shri Pradip N. Kapadia (holding DIN: 00078673), aged 67 years, is Bachelor in Arts and Law Graduate. He is a renowned Advocate and Solicitor having experience of more than 45 years in the legal field. He is a partner of Vigil Juris, Advocates & Solicitors, Mumbai. He is on the Board of the Company since 30th May, 2013. He is presently a Non-Executive Independent Director of the Company. He is a member of the Stakeholders Relationship Committee and Chairman of the Nomination & Remuneration Committee of the Board.

Shri Vilas R Gupte and Shri Pradip N. Kapadia were appointed as Independent Directors of the Company by the shareholders of the Company at their 100th Annual General Meeting (AGM) held on 5th August, 2014 for a period of five consecutive years. Accordingly, the first term of their appointment is expiring on 4th August, 2019.

After due performance evaluation of Shri Vilas R. Gupte and Shri Pradip N. Kapadia carried out based on the criteria of evaluation framed, and recommended by the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 16th May 2019 have approved their re-appointments as Independent Directors of the Company, not liable to retire by rotation, for a second term for a period of 5 consecutive years viz. from 5th August, 2019 to 4th August, 2024 subject to the approval of the shareholders.

The Company has received declarations and confirmations from both these directors inter alia confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013, Rules made there under and SEBI (LODR) Regulations, 2015 as amended and that they do not suffer from any disqualifications for their re-appointment as Independent Directors and consented for their re-appointments.

In the opinion of the Board of Directors of the Company, Shri Vilas R. Gupte and Shri Pradip N. Kapadia fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder read with the provisions of SEBI (LODR) Regulations, 2015 for their re-appointments as Independent Directors of the Company. Further, pursuant to the provisions of Section 149 and other applicable

provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as amended, they will not be liable to retire by rotation. The Company has also received notices under section 160 of the Act from the members of the Company proposing their candidature for the re-appointments as Independent Directors of the Company. Both the Directors are Independent of the Company's Management & Promoters. Having regard to their qualifications, knowledge and experience, their re-appointment as Independent Directors of the Company, in the opinion of the Board of Directors, will be in the interest of the Company.

Shri Vilas R. Gupte holds 2 equity shares of ₹ 10/- each of the Company while Shri Pradip N. Kapadia holds 138 equity shares of ₹ 10/- each of the Company. Shri Vilas R. Gupte shall cross the age of 75 years during his proposed tenure, and therefore as required under the provisions of SEBI (LODR) Regulations, 2015, it is proposed to pass a Special Resolution for his re-appointment. He is keeping good health and active.

The Board recommends passing of the special resolutions for their reappointment as Independent Directors of the Company.

The draft letters of re-appointments proposed to be issued to Shri Vilas R. Gupte and Shri Pradip N. Kapadia as Independent Directors of the Company, setting out the terms and conditions of appointment, would be available for inspection without any fee by the members at the Registered Office of the Company, during normal business hours on any working day (Monday to Friday).

None of the Directors, key managerial personnel and/or their relatives are concerned or interested in the Resolution except Shri Vilas R. Gupte and Shri Pradip N. Kapadia and their relative/s.

In respect of Item Nos. 7 to 9:

Smt. Latika P. Pradhan (holding DIN 07118801) aged 64 years, is a Chartered Accountant (CA), Cost & Management Accountant (CWA), Company Secretary (CS) and Law Graduate with experience of over 38 years in various industries, in the field of Finance, Legal & Secretarial, Internal Audit and IT Functions. Presently, she is a Non-Executive Independent Director of the Company and member of Audit Committee of the Board.

Shri Gautam G. Chakravarti (holding DIN 00004399) aged 65 years holds a Degree in Physics followed by a Masters in Economics and has done Post Graduate Program in Management from IIM, Ahmedabad. He has also undergone Executive Development Programs with Sloan School, MIT, Boston, USA and Wharton Business School, USA. He has over 43 years of diversified business experience in multinational companies and large Indian Business Houses in multi-cultural environments in senior positions. Presently, he is a Non-Executive Independent Director of the Company and he is a member of Audit Committee and Nomination & Remuneration Committee of the Board.

Shri Sujal A. Shah (holding DIN 00058019) aged 50 years is a Commerce Graduate and a Chartered Accountant. He has an experience of over 28 years in the fields of Valuations, Due Diligences, Corporate Restructuring and Advisory. He is founder Partner of SSPA & Company, Chartered Accountants, Mumbai. Presently, he is a Non-Executive Independent Director of the Company and he is a member of Audit Committee and CSR Committee of the Board.

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company had appointed Smt. Latika P. Pradhan as an Independent Director w.e.f. 17th April, 2015 likewise Shri Gautam G. Chakravarti and Shri Sujal A. Shah were appointed as Independent Directors w.e.f. 30th May, 2015. The shareholders of the Company had, at their 101st Annual General Meeting (AGM) held on 12th August, 2015, approved their appointment as Independent Directors of the Company for a period of five consecutive years.

Accordingly, the first term of the appointment of Smt. Latika P. Pradhan, Shri Gautam G. Chakravarti and Shri Sujal A. Shah as Independent Directors of the Company is expiring on 16th April, 2020, 29th May, 2020 and 29th May, 2020 respectively. Since all these expiry of terms of appointment will be much prior to the 106th AGM which, as a practice would be scheduled around July/August, 2020, the resolutions for their re-appointments are proposed for approval at the ensuing 105th AGM.

After due performance evaluation of these Independent Directors carried out based on the criteria of evaluation framed, and recommended by the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 16th May, 2019 have approved their re-appointment as Independent Directors of the Company, not liable to retire by rotation, for a second term for a period of five consecutive years viz. for Smt. Latika P. Pradhan from 17th April, 2020 to 16th April, 2025 and for Shri Gautam G. Chakravarti and Shri Sujal A. Shah from 30th May, 2020 to 29th May, 2025, subject to the approval of the shareholders.

The Company has received declarations and confirmations from all these directors inter alia confirming that they meet the criteria of independence as prescribed under Companies Act, 2013, Rules made there under and SEBI (LODR) Regulations, 2015 as amended and that they do not suffer from any disqualifications for their re-appointment as Independent Directors and consented for the re-appointments.

In the opinion of the Board, Smt. Latika P. Pradhan, Shri Gautam G. Chakravarti and Shri Sujal A. Shah fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder read with the provisions of SEBI (LODR) Regulations, 2015 for their re-appointment as Independent Directors of the Company. Further, pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as amended, they will not be liable to retire by rotation. The Company has also received notices in writing under section 160 of the Act from the members of the Company proposing their candidature for the re-appointment as Independent Directors of the Company. All the aforesaid directors are independent of the Company's Management & Promoters. Having regard to their qualifications, knowledge and experience, their re-appointments as Independent Directors of the Company, in the opinion of the Board of Directors, will be in the interest of the Company. None of these Directors, hold any shares or voting rights in the Company. The Board recommends passing of the requisite special resolutions for their re-appointment as Independent Directors of the Company.

The draft letters of re-appointments proposed to be issued to Smt. Latika P. Pradhan, Shri Gautam G. Chakravarti and Shri Sujal A. Shah, as Independent Directors of the Company, setting out the terms and conditions of their re-appointment, would be available for inspection without any fee by the members at the Registered Office of the Company, during normal business hours on any working day (Monday to Friday).

None of the Directors, key managerial personnel and/or their relatives are concerned or interested in the Resolution except Smt. Latika P. Pradhan, Shri Gautam G. Chakravarti and Shri Sujal A. Shah and their relative/s.

In respect of Item No. 10

At the last Annual General Meeting (104th AGM), the Members had passed a resolution to reclassify Shri. Vishad P. Mafatlal, his family members and the Companies including Navin Fluorine International Limited (NFIL) under their control from "Promoters" and "Promoter Group" category to "Public" category. Thereafter pursuant to the application of the Company, BSE Limited (stock exchange where the Company's equity shares are listed) had granted approval for the said reclassification. Accordingly, those shareholders have been reclassified under Public category. As at 31st March, 2019, NFIL is holding 2,63,616 equity shares of ₹ 10/- each of the Company under Public category.

The Company recently received applications from the Entities/Trusts as mentioned in the Special Resolution proposed at item no. 10 (hereinafter referred to as "applicants") managed by Shri Vishad P. Mafatlal and his associates/concerns for reclassification of their status from "Promoter" and "Promoter Group" to "Public". These entities in the aggregate holds 24255 Equity shares of ₹ 10/- each in the Company (0.17% of the paid up share capital) as on 31st March, 2019 and as on 16th May, 2019.

The said applications were approved by the Board of Directors of the Company at their meeting held on 16th May 2019.

After obtaining approval from the members of the Company, the requisite applications seeking reclassification will be made by the Company to the stock exchange 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 as amended, 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 the new promoter is 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 concert 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.

The Board of Directors recommends passing of the Resolution at Item No. 10 as a special resolution.

None of the Directors, Key Managerial Personnel and/or their Relatives are concerned or interested in the Resolution, except 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 16th May, 2019

Ashish A. Karanji
Company Secretary
(ACS: 15561)

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 and applicable Secretarial Standards-2 (SS-2):

Name of the Director & Brief Resume/educational qualification	Nature of Expertise in specific functional area	Disclosure of relationship with other Directors, Managers, and Key Managerial Personnel or the Promoters of the Company	Names of the Entities in which the person holds the directorship and Membership of the Committees of the Board.	Shareholding of Director in the Company	No. of Board Meetings held and attended by Director during 2018-19
<p>Shri H. A. Mafatlal (64 years) (DIN 00009872)</p> <p>He did his graduation in Commerce with Honors, from Sydenham College and also Completed Advance Management Programme (AMP) at Harvard Business School, USA.</p> <p>He has been on the Board of Directors of the Company since 1979. He is an Executive Chairman of the Company since 1st November, 2016.</p>	<p>He is an Industrialist having diversified experience of more than 42 years in Textiles, Chemicals, Petrochemicals, Financial Services businesses etc.</p>	<p>He is related (father of) to Shri Priyavrata H. Mafatlal, Executive Director of the Company.</p>	<p>Chairman & Directors of : Mafatlal Industries Ltd NOCIL Limited Mafatlal Services Ltd. Cebon Apparel Pvt. Ltd.</p> <p>Director of : Tropical Clothing Co. Pvt. Ltd. HPA Sports Pvt. Ltd.</p> <p>Membership of the Committees of the Board of:</p> <p>Mafatlal Industries Limited: - Chairman of Corporate Social Responsibility Committee - Member of Stakeholders Relationship Committee -Member of Share Transfer Committee</p> <p>NOCIL Limited: -Chairman of Corporate Social Responsibility Committee -Chairman of Share Transfer Committee -Member of Stakeholders Relationship Committee -Member of Nomination and Remuneration Committee</p>	<p>31,76,150 equity shares of the Company of ₹ 10/- each.</p>	<p>All 7 Meetings attended</p>
<p>Shri Atul K. Srivastava (67 years) (DIN 00046776)</p> <p>He is a Science Graduate and holds degree of Fellow Chartered Accountant (FCA)</p> <p>He is a Non-Executive Non-Independent Director of the Company since 10th October, 2012</p>	<p>Having experience of over 45 years at various companies in the areas of finance, Audit & Accounts, Taxation, Commerce, Legal and Commercial Matters.</p>	<p>Not related to any one.</p>	<p>Director of : Mafatlal Industries Limited Navin Fluorine International Limited</p> <p>Membership of the Committees of the Board of:</p> <p>Mafatlal Industries Limited: CSR Committee Stakeholders Relationship Committee (Chairman) Share Transfer Committee</p> <p>Navin Fluorine International Limited: Member of Stakeholders Relationship Committee</p>	<p>He is not holding any shares / voting rights in the Company.</p>	<p>6 Meetings attended out of 7 Meetings</p>
<p>Shri Vilas R. Gupte (74 years) (DIN : 00011330)</p> <p>He is a Graduate in Commerce and a Chartered Accountant.</p> <p>He is an Independent Director of the Company since 30th May, 2013</p>	<p>He has an experience of over 51 years at various companies in the areas of finance, legal and commercial matters.</p>	<p>Not related to any one</p>	<p>Director of: Mafatlal Industries Limited NOCIL Limited</p> <p>Membership of Committee of the Board:</p> <p>Mafatlal Industries Limited: Audit Committee (Chairman) Nomination & Remuneration Committee</p> <p>NOCIL Limited: Audit Committee CSR Committee Stakeholders Relationship Committee</p>	<p>He is holding 2 equity shares of ₹10/- each of the Company.</p>	<p>all 7 Meetings attended</p>

Name of the Director & Brief Resume/educational qualification	Nature of Expertise in specific functional area	Disclosure of relationship with other Directors, Managers, and Key Managerial Personnel or the Promoters of the Company	Names of the Entities in which the person holds the directorship and Membership of the Committees of the Board.	Shareholding of Director in the Company	No. of Board Meetings held and attended by Director during 2018-19
<p>Shri Pradip N. Kapadia (67 years) (DIN:00078673)</p> <p>He is a Bachelor of Arts and Law Graduate. He is an Independent Director of the Company since 30th May, 2013</p>	<p>He is a renowned Advocate and Solicitor having experience of over 45 years in legal field. He is a Partner of Law Firm Vigil Juris, Advocates & Solicitors, Mumbai.</p>	<p>Not related to any one</p>	<p>Director of:</p> <p>Mafatlal Industries Limited</p> <p>Navin Fluorine International Ltd.</p> <p>Afcons Infrastructure Ltd.</p> <p>HTA Marketing Services Pvt. Ltd.</p> <p>C C Chokshi Advisors Pvt. Ltd.</p> <p>Hindustan Thomson Associates Pvt. Ltd.</p> <p>Gokak Textiles Limited</p> <p>Hungama Digital Services Pvt. Ltd.</p> <p>Mirum Digital Pvt. Ltd.</p> <p>Gokak Power & Energy Ltd.</p> <p>Contract Advertising (I) Pvt. Ltd.</p> <p>Membership of Committee of the Board:</p> <p>Mafatlal Industries Limited:</p> <p>Stakeholders Relationship Committee</p> <p>Nomination & Remuneration Committee (Chairman)</p> <p>Navin Fluorine International Ltd:</p> <p>Audit Committee</p> <p>Stakeholders Relationship Committee (Chairman)</p> <p>Afcons Infrastructure Limited:</p> <p>Audit Committee</p> <p>Stakeholders Relationship Committee (Chairman)</p> <p>Nomination & Remuneration Committee</p> <p>CSR Committee</p> <p>Hindustan Thompson Associates Pvt. Ltd:</p> <p>Share Transfer Committee</p> <p>CSR Committee</p> <p>Gokak Power & Energy Ltd:</p> <p>Audit Committee</p> <p>Nomination & Remuneration Committee</p> <p>Gokak Textiles Ltd:</p> <p>Audit Committee</p> <p>Stakeholders Relationship Committee</p>	<p>He is holding 138 equity shares of ₹10/- each of the Company.</p>	<p>all 7 Meetings attended</p>
<p>Smt. Latika P. Pradhan (64 years) (DIN-07118801)</p> <p>ACA, AICWA, ACS & L L B.</p> <p>She is an Independent Director of the Company since 17th April, 2015.</p>	<p>Experience of over 38 years in various industries in the field of finance, legal & secretarial, internal audit, IT functions etc.</p>	<p>Not related to any one.</p>	<p>Director of :</p> <p>Mafatlal Industries Limited</p> <p>Team Lease Services Ltd.</p> <p>Membership of Committee of the Board:</p> <p>Mafatlal Industries Limited:</p> <p>Audit Committee</p> <p>Team Lease Services Ltd:</p> <p>Audit Committee (Chairperson)</p> <p>Nomination & Remuneration Committee</p> <p>Risk Management Committee</p>	<p>She is not holding any shares/voting rights in the Company.</p>	<p>All 7 Meetings attended</p>

Name of the Director & Brief Resume/educational qualification	Nature of Expertise in specific functional area	Disclosure of relationship with other Directors, Managers, and Key Managerial Personnel or the Promoters of the Company	Names of the Entities in which the person holds the directorship and Membership of the Committees of the Board.	Shareholding of Director in the Company	No. of Board Meetings held and attended by Director during 2018-19
<p>Shri Gautam G. Chakravarti (65 years) (DIN: 00004399) Degree in Physics Masters in Economics Post Graduate Program in Management from IIM, Ahmedabad He is an Independent Director of the Company since 30th May, 2015</p>	<p>Experience of over 43 years in various companies including MNCs and large Indian Business Houses in multi-cultural environments.</p>	<p>Not related to any one.</p>	<p>Director of : Mafatlal Industries Limited Atul Finserve Ltd. Membership of Committee of the Board: Mafatlal Industries Limited: Audit Committee Nomination & Remuneration Committee</p>	<p>He is not holding any shares/ voting rights in the Company</p>	<p>6 Meetings attended out of 7 meetings</p>
<p>Shri Sujal A. Shah (50 years) (DIN: 00058019) He is a Commerce Graduate and a Chartered Accountant (FCA) He is an Independent Director of the Company since 30th May, 2015</p>	<p>Experience of over 28 years in the fields of Valuations, Due Diligences, Corporate Restructuring, Audit and Advisory.</p>	<p>Not related to any one.</p>	<p>Director of : Mafatlal Industries Limited Reliance Asset Reconstruction Co. Ltd. Amal Ltd. Hindoostan Mills Ltd. Rudolf Atul Chemicals Ltd. Bhishma Reality Ltd. Capricorn Reality Ltd. I-Process Services (I) Pvt. Ltd. DHFL Pramerica Trustees Pvt. Ltd. SSPA Consultants Pvt. Ltd. Raiji & Horwath Consultancy Services Pvt. Ltd. Amrit Corp. Ltd. Convergence Chemicals Pvt. Ltd. Membership of Committee of the Board: Mafatlal Industries Limited: Audit Committee CSR Committee Reliance Asset Reconstruction Co. Ltd: Audit Committee Amal Limited: Audit Committee Nomination & Remuneration Committee (Chairman) Hindoostan Mills Ltd: Audit Committee (Chairman) Nomination & Remuneration Committee CSR Committee Rudolf Atul Chemicals Ltd: Audit Committee Nomination & Remuneration Committee Bhishma Reality Ltd: Nomination & Remuneration Committee (Chairman) Capricorn Reality Ltd: Audit Committee (Chairman) Nomination & Remuneration Committee I-Process Services (I) Pvt. Ltd. Audit Committee (Chairman)</p>	<p>He is not holding any shares/ voting rights in the Company</p>	<p>all 7 Meetings attended</p>

Name of the Director & Brief Resume/educational qualification	Nature of Expertise in specific functional area	Disclosure of relationship with other Directors, Managers, and Key Managerial Personnel or the Promoters of the Company	Names of the Entities in which the person holds the directorship and Membership of the Committees of the Board.	Shareholding of Director in the Company	No. of Board Meetings held and attended by Director during 2018-19
			DHFL Pramerica Trustees Pvt. Ltd: Audit Committee (Member) Amrit Corp. Ltd: Audit Committee CSR Committee Convergence Chemicals Pvt. Ltd: Audit Committee (Chairman) Nomination & Remuneration Committee		

Remuneration paid to all above Directors seeking appointment/re-appointment:

Shri Hrishikesh A. Mafatlal, Executive Chairman has voluntarily waived receiving remuneration since his appointment from 1st November, 2016. Accordingly, he has not been paid any remuneration for the years 2016-17, 2017-18 and 2018-19.

During the year 2018-19, the Company has paid sitting fees to all the Non-Executive Directors (including Independent Directors) for attending the Meetings of the Board and Committees thereof as follows:

Shri Atul P. Srivastava - ₹ 7.00 Lacs, Shri Vilas R. Gupte - ₹ 12.60 Lacs, Shri Pradip N. Kapadia - ₹ 8.40 lacs, Smt. Latika P. Pradhan - ₹ 10.50 lacs, Shri Gautam G. Chakravarti - ₹ 11.20 lacs, Shri Sujal S. Shah - ₹ 8.40 lacs. None of the Directors of the Company were paid any Commission during the year 2018-19.

Summarised Financial Data

₹ in Lakhs

Particulars	2009 - 10	2010 - 11	2011 - 12
	(14 MONTHS)	(13 MONTHS)	(9 MONTHS)
	1	2	3
PROFIT & LOSS ACCOUNT			
Total Income	30,913.02	70,525.95	18,069.79
Profit before Depreciation, Interest, Exceptional Items and Tax	7,164.51	36,024.71	(1,096.70)
Exceptional Items	-	16,086.77	(5,040.76)
Finance costs	(557.56)	(1,085.88)	(245.11)
Depreciation, Amortisation and Impairment	(332.51)	(252.48)	(203.42)
Profit before Tax	6,274.44	50,773.12	(6,585.99)
Profit after Tax	5,176.30	38,056.00	(5,185.99)
Dividend (₹ per share)			
Earning per share (EPS) ₹	71.16	387.78	(52.84)
BALANCE SHEET			
Net Fixed Assets	1,975.17	1,613.34	2,003.60
Investments	12,477.61	5,477.25	5,009.80
Current Assets (Net)*	(3,499.36)	41,657.38	27,067.95
Miscellaneous Exps not W/Off	-	-	-
Total Application	10,953.42	48,747.97	34,081.35
Borrowings	7,296.15	7,034.70	554.07
Net Worth:			
Share Capital	6,981.32	6,981.32	3,981.32
Reserves	(3,324.05)	34,731.95	29,545.96
	3,657.27	41,713.27	33,527.28
Total Sources	10,953.42	48,747.97	34,081.35
Book value per Equity Share (₹)	50.30	425.04	341.63
(Face value - ₹10 per Share)			
Debt/ Equity Ratio	1.99	0.17	0.02
Operating EBIDTA (%)	23%	51%	-6%
Profit After Tax (%)	17%	54%	-29%
Return on Net Worth (%)	484%	168%	-14%
Return on Capital Employed	70%	174%	-15%

* 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 2018 - 2019

Summarised Financial Data

₹ in Lakhs

2012 - 13	2013 - 14	2014 - 15	2015 - 16	2016 - 17	2017 - 18	2018 - 19
						#
4	5	6	7	8	9	10
84,038.13	93,549.12	104,469.00	134,465.93	128,068.39	120,049.63	105,457.89
8,999.05	4,610.45	5,018.17	6,119.18	5,503.97	2,524.30	(3,030.72)
697.74	736.77	898.63	-	(869.94)	-	(8,361.80)
(3,199.92)	(1,489.45)	(1,684.05)	(2,116.12)	(2,620.14)	(3,108.54)	(3,018.86)
(1,444.05)	(1,834.60)	(1,671.14)	(2,119.18)	(2,705.59)	(3,610.59)	(3,595.66)
5,052.82	2,023.17	2,561.61	1,883.88	(691.70)	(4,194.82)	(18,007.04)
3,715.93	2,393.38	2,437.49	1,712.38	(214.53)	(4,177.82)	(18,007.04)
+ 5	3	3	3	3	0	0
26.71	17.20	17.52	12.31	(1.54)	(30.03)	(129.43)
15,648.04	17,273.65	20,091.35	22,256.58	29,717.02	30,194.49	13,572.35
4,871.58	4,865.37	4,788.97	4,794.09	6,221.29	50,188.18	37,408.65
24,293.87	23,154.29	25,157.03	33,129.64	25,996.16	22,817.54	20,415.15
-	-	-	-	-	-	-
44,813.49	45,293.31	50,037.35	60,180.31	61,934.47	103,200.21	71,396.15
8,997.04	10,571.81	13,492.29	22,425.23	24,393.92	23,359.75	20,697.16
4,391.22	1,391.22	1,391.22	1,391.22	1,391.22	1,391.22	1,391.22
31,425.23	33,330.28	35,153.84	36,363.86	36,149.33	78,449.24	49,307.76
35,816.45	34,721.50	36,545.06	37,755.08	37,540.55	79,840.46	50,698.98
44,813.49	45,293.31	50,037.35	60,180.31	61,934.47	103,200.21	71,396.14
257.43	249.56	262.67	271.37	269.83	573.86	364.40
0.25	0.30	0.37	0.59	0.65	0.29	0.41
11%	5%	5%	5%	4%	2%	-3%
4%	3%	2%	1%	-0.2%	-3.5%	-17.1%
10%	7%	7%	5%	-1%	-5%	-36%
18%	8%	8%	7%	3%	-1%	-21%

Directors' Report

To
The Members,
Mafatlal Industries Limited

Your Directors present the 105th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2019.

1. Financial Results

The Financial Results of the Company are as under:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
	2018-19	2017-18
Revenue from Operations	102,368.09	116,760.04
Other Income	3,089.83	3,289.59
Total Income / Revenues	105,457.89	120,049.63
EBIDTA	-3,030.72	2,524.32
Less: Depreciation	3,595.66	3,610.59
Finance Costs	3,018.86	3,108.54
Loss before Exceptional Items (write off/provisions/impairment losses)	-9,645.24	-4,194.82
Exceptional Items (Net)	-8,361.80	-
Loss before Taxes	-18,007.04	-4,194.82
Tax (Expense) / Benefits	-	17.00
Loss after Taxes	-18,007.04	-4,177.82

2. Overview, State of Company Affairs and Year in Retrospect

During the year under review, the textile industry remained fragile with stressed working capital cycles, over capacity, increased costs of raw material and a negative financial outlook for the industry. While in the past few years, various incentives and schemes were rolled out by the Government to boost the growth of the sector for the long term, at present the Denim industry in particular, is reeling under consequences of huge overcapacity. On the International front, Indian Textile industry seems to be losing out against Bangladesh and Vietnam in terms of the cost competitiveness.

During the year under review the Company faced strong headwinds and got severely impacted by the excess capacities and cost-competitiveness vis-a-vis new players who operate with low-cost structures (especially for Denim fabric), disruptions in the Middle-East markets affecting export of Voiles, subdued retail demand for apparels and readymade garments affecting sale of Printed fabric in the business-to-business (B2B) segment and prolonged credit cycle in general prevailing in the textile industry. This resulted in a fall in revenue as well as operating profitability. Total Revenue fell by 12% to ₹ 1,05,457.89 Lakhs and EBIDTA is reported negative at ₹ 3,030.72 Lakhs leading to a Net Loss for the year of ₹ 18,007.04 Lakhs (including ₹ 8,361.80 as an impairment charge) as against a Net Loss of ₹ 4,177.82 Lakhs for the previous year.

For more than two years, the Company has been passing through an extremely challenging business situation, particularly with respect to the Denim operations. The Denim Industry attracted major capacity expansions in the recent past and the installed capacity for Denim fabric manufacturing in India which was around 500 million meters in the year 2011 has shot up to almost 1.4 billion meters by the end of year 2018. Since domestic demand for the Denim fabric is not matching the pace of growth in supply, the entire Denim Industry has been struggling for growth and has been operating at sub-optimal installed capacities and operating margins. In the light of this situation, the Company took several steps for improving the Denim operations, such as change in the management team, more focus on product development and driving cost reduction. While the performance of Denim for the first quarter of the year 2018-19 did indicate some improvement, the performance was on a downward spiral from second quarter onwards. In order to curtail losses from Denim operations in the backdrop of severe competition in the domestic market, the Company took the strategic decision to significantly scale down the operations based on a detailed analysis carried out with the help of a multinational independent management consultant. The Company also substantially reduced its work force at a cost of ₹ 1,827.45 Lakhs which has been recognised as expenditure in the Profit & Loss Account for the financial year 2018-19.

Despite taking series of initiatives, there has been no improvement in Denim operations and hence the Company is substantially scaling down the Denim operations to further curtail the losses. With the scaling down of operations, the Company is contemplating sale of surplus assets at Navsari. The funds so raised will be utilized by the Company to settle its liabilities towards ex-gratia payments (VRS) to employees, repayment of loans, creditors and other liabilities. The sale of assets as mentioned hereinabove, may tantamount to selling, leasing, or disposing of substantially the whole of the Undertakings at Navsari as envisaged under the provisions of Section 180 of the Companies Act, 2013. It will exceed 20% of the value of the Undertaking/s of the Company

at Navsari as per the audited financial statements of the Company for the year ended 31st March, 2019. Accordingly, as required under the provisions of Section 180(1) (a), Section 110 and other applicable provisions of the Companies Act, 2013, Rules made thereunder and SEBI (LODR) Regulations, 2015 and other applicable provisions, the special resolution with respect thereto is being proposed for the approval of the members of the Company by way of postal ballot for which separate notice is given to the members of the Company.

Your Directors are of the view that this strategic decision may inflict some pain in the short term, but it will turn the Company profitable in future.

A further analysis of the financial results of the Company is given in the Management Discussion and Analysis Report which forms part of this report.

3. Borrowings, Loans, Guarantees and Investments

During the year under review, the company has repaid long term borrowings amounting to ₹ 2,380.39 Lakhs as per scheduled timeline and raised loan funds of ₹ 275.96 Lakhs to part finance the liabilities and payments of the Company including VRS/ex gratia payments to the workers of Navsari units.

The Company expresses gratitude to all the term loan and working capital lenders for their continuing support and faith in the company. The Company has not granted any loan, given any guarantee or made any investments as referred to in section 186 of the Companies Act, 2013.

During the year, the Company has sold 7,48,860 equity shares of NOCIL Limited. It has also sold its non core investments in three private limited companies viz. Mafatlal Impex Private Limited (2 equity shares), Arvi Associates Private Limited (10,000 equity shares), Suremi Trading Private Limited (20 equity shares). The sale price for the said shares were above fair value calculated as per the Valuation Report received from an independent valuer and the requisite details of related party transactions are mentioned in the Annexure to this report.

4. Credit Rating/s

During the year Credit Analysis & Research Limited (CARE) has reaffirmed the credit rating of the Company "CARE BBB- (negative)" for the long term facilities having tenure of more than one year and "CARE BBB- (negative)" / "CARE A3" for short term facilities having tenure of upto one year.

5. Dividend

In view of the Losses for the financial year ended 31st March, 2019 continuing since previous years, the Board of Directors regret their inability to recommend any dividend for the year 2018-19 and accordingly, has not recommended/proposed declaration of any dividend.

6. Restructuring of Promoters Shareholding & Reclassification of Promoters Holding

As approved by the shareholders at 104th AGM held on 31st July, 2018 and consequent approval by the BSE Limited where the Company's shares are listed, certain promoters forming a part of Shri V. P. Mafatlal and his associates, concerns and entities managed by his group were reclassified as non promoters/public category. Further, certain more trusts/entities managed by Shri V. P. Mafatlal and his associates are now proposed for reclassification as non promoters/public shareholders for which requisite resolution as approved by the Board of Directors of the Company as per the requirements of the Stock Exchange/s has been proposed at the ensuing Annual General Meeting and later on requisite application/s will be made to the Stock Exchange for reclassification.

7. Details of changes of Directors and Key Managerial Personnel

During the year under review, Shri Aniruddha P. Deshmukh, Managing Director & Chief Executive Officer had resigned, and accordingly was relieved of his services at the close of business hours on 31st March, 2019. The Board put on record its sincere appreciation of his services during his tenure with the Company. As recommended by the Nomination & Remuneration Committee, the Board had, at their meeting held on 17th December 2018, appointed Shri Priyavrata H. Mafatlal, a whole time director of the Company {who was designated as Executive Director} as Chief Executive Officer (CEO) w.e.f. 1st April, 2019 and also re-designated him as CEO & ED and appointed him as a whole time key managerial person (WKMP) of the Company under the provisions of Section 203 of the Companies Act, 2013 on the same terms and conditions of the appointment letter issued earlier on 25th October, 2016 as approved by the shareholders earlier except the above changes in designation and appointment. The requisite special resolution with respect to his appointment as CEO and WKMP and the approval for payment of remuneration for his balance term of appointment w.e.f. 1st November, 2019 to 31st October, 2021 as required under the provisions of Schedule V to the Companies Act, 2013 is being proposed as a part of postal ballot notice issued to the shareholders separately.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Hrishikesh A. Mafatlal, Chairman, is liable to retire by rotation and being eligible offers himself for reappointment and the same is proposed for approval at the ensuing Annual General Meeting (AGM).

Further, the Board has at their meeting held on 16th May, 2019, approved and proposed for approval by the shareholders at this ensuing AGM, the appointment of Shri Atul K. Srivastava as an Independent Director of the Company, the re-appointments of Shri Vilas R. Gupte, Shri Pradip N. Kapadia, Smt. Latika P. Pradhan, Shri Gautam G. Chakravarti and Shri Sujal A. Shah as Independent Directors of the Company and accordingly requisite resolutions are proposed for the approval of the shareholders at the ensuing AGM. The Board recommends their appointment/reappointments being in the interest of the Company.

8. Employee Stock Option Scheme, 2017

The shareholders of the Company at the 103rd Annual General Meeting of the Company 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 a 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. Since then, there has been no further grant as of date and due to the resignations of the employees (option grantees) as at 31st March, 2019, 72,000 options remained outstanding (valid) out of the said 138,000 while remaining options lapsed and went back to the Option Pool available for further grants in future. There has been no exercise of vested options as of date. The further disclosures as required under SEBI Employee Share Based Benefits Regulations, 2016 are provided in **Annexure III** to this report alongwith other disclosures.

9. Subsidiaries, Associates and Joint Ventures

The financial position of the subsidiary company 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, 2019 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 the year 2016 and accordingly we have not applied for renewal of license to continue to operate the business there. Accordingly, even 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 2018-19.

10. 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, 2019.

11. 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. The Company has well 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.

12. Directors' Responsibility Statement

As required under the provisions of Section 134 (5) of the Companies Act, 2013, the 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.

13. Industrial Relations

The relations between the employees and the management have remained cordial and harmonious during the year under review. There were 2,377 permanent employees on the roll of the Company as on 31st March, 2019. During the year Company had taken the painful decision of severance of its workforce including some management and non management staff at its Denim operations at Navsari in tandem with the scaling down of the operations. While this was part of strategic decision for the long term future, the Company always believes in people being the key enabler to bring the turnaround, growth and good practices.

14. 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.

15. 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 the 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 do not have CSR Obligation for the year 2018-19. 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.

16. Related Party Transactions

There are no materially significant related party transactions made by the Company during the year. Related Party Transaction Policy is posted on the website of the Company and is available at https://www.mafatlals.com/wp-content/uploads/2019/06/Related_Party_Policy.pdf. The details of all the transactions with the related parties are disclosed in the Notes forming part of the financial statements for the year 2018-19 and further annexed to this report in AOC 2.

All the Related Party Transactions entered into by the Company are in ordinary course of business and on an arm's length basis, for which requisite approvals from the Audit Committee and the Board of Directors were obtained. None of the related party transactions required approval from shareholders.

17. 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 as amended, is annexed to the Report on Corporate Governance.

18. Other Statutory Disclosures

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints were reported during the year under the said Act.

There has been no instance of fraud at the Company nor any fraud reported by the auditors of the Company during the year.

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 Regulator or Court or Tribunal, which can impact the going concern status of the Company and its Operations in the future. Further there has been no issue of equity shares with differential rights as to dividend, voting or otherwise and there was no buy back of shares. The Managing Director and Whole time Director of the Company have not received any remuneration from the Subsidiary of the Company.

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**.

19. Statutory Audit

Pursuant to the provisions of Section 139 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made thereunder, M/s. Price Waterhouse Chartered Accountants LLP (Firm registration No. 012754N/N500016) were appointed as statutory auditors of the Company for a period of five years by the members of the Company at 103rd Annual General Meeting (AGM) to hold office from the conclusion of 103rd AGM till the conclusion of 108th AGM. Thereafter at 104th AGM the members have approved the continuation of their appointment for balance term till the conclusion of 108th AGM. It may be noted that pursuant to the amended provisions of section 139 (as amended by the Companies Amendment Act 2017), ratification of

statutory auditors appointment is not required at every Annual General Meeting. Accordingly, resolution for yearly ratification of appointment has not been proposed/required.

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 Auditor's Report does not have any qualification or reservations or adverse comments. Further the observation/s made therein read with concerned Notes to financial statements, provide sufficient information and are self clarificatory. So no further explanations or comments is required/provided in this report with respect thereto.

20. Secretarial Audit

The Board of Directors of the Company has, in compliance with the provisions of Section 204(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 2018-19. The Report of the Secretarial Auditor is annexed to this Report as **Annexure IV**. The Audit report does not have any qualification or reservations. The Company has filed certain forms/ intimations with some delay due to inadvertence, technical & other issues with additional fees as applicable and accordingly complied with the requisite requirements. Besides, the observations made in audit report provide sufficient information and are self clarificatory. So no further explanations or comments is required/given in this report with respect thereto. The Company has, complied with the provisions of the Secretarial Standards (SS) issued by ICSI as applicable.

21. Cost Audit

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with relevant Rules made thereunder, maintenance of Cost Records for the Company's "Textiles" products are required and accordingly such accounts and records are maintained by the Company. The cost audit for the year 2017-18 was timely carried out and the Cost Audit Report with requisite data for the year 2017-18 in the prescribed form CRA 4 has already been filed with Ministry of Corporate Affairs (MCA).

Further, in accordance with the said applicable provisions, the audit of the Cost Records of the Company for the year 2018-19 relating to the "Textiles" products manufactured and marketed by the Company is being carried out by Cost Auditors Shri Bhalchandra. 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 16th May, 2019 re-appointed Shri B. C. Desai as Cost Auditor to audit cost records in respect of "Textiles" products manufactured and marketed by the Company for the Financial Year 2019-20 and the remuneration payable to the Cost Auditor has been proposed for the approval by the Members of the Company at the ensuing Annual General Meeting.

22. 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.

23. 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,
Mafatlal Industries Limited

H. A. MAFATLAL
Chairman
(DIN: 00009872)

Place: Mumbai

Date: 16th May, 2019

Regd. Office:

Mafatlal Industries Limited
(CIN L1711OGJ1913PLC000035)
301-302, Heritage Horizon, 3rd Floor,
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Tel: 079 - 2644440406 Fax: 079 26444403,
Email: ahmedabad@mafatlals.com
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Annexure I to Directors' Report

Management Discussion and Analysis

1. Overview of the Economy

Indian economy started the fiscal year 2018–19 with a healthy 8% growth in the first quarter on the back of domestic resilience. Growth eased to 7% in the subsequent quarter due to rising global volatility, largely from financial volatility, normalized monetary policy in advanced economies, trade disputes, and investment rerouting. Further, the Indian rupee suffered because of the crude price shock, and conditions exacerbated as recovery in advanced economies caused faster investment outflows.

Second half of the year witnessed slower growth in GDP, majorly affected by slowdown in global economic activities, elevated trade tensions, tighter financial conditions and appreciation in exchange rate. GDP growth was reported at 6.6% in Q3. For the year 2018-19 latest estimates for GDP growth is 7% compared to growth rate of 7.2% in 2017-18.

2. Overview of Textile Sector

Growth in the textile 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. During the year 2018-19 India's domestic demand strengthened as the country reaps the benefits of structural reforms and of a revival of credit growth.

The Government of India has approved a new skill development scheme named 'Scheme for Capacity Building in Textile Sector'. A special package has been announced to boost exports by US\$ 31 billion, create one crore job opportunities and attract investments worth ₹ 800.00 billion (US\$ 11.93 billion) during 2018-2020. As of August 2018, it generated additional investments worth ₹ 253.45 billion (US\$ 3.78 billion) and exports worth ₹ 57.28 billion (US\$ 854.42 million).

In 2018-19, China, the world's largest apparel manufacturer and exporter, continued to shed market share in the global trade but India was not able to capitalise on the opportunity. Instead, a large chunk was garnered by Bangladesh and Vietnam, the second and the third largest apparel exporting nations globally. While Bangladesh is a key beneficiary in the European Union, Vietnam has strengthened its growth in the United States.

3. Overview of the Company Performance and Outlook

The Business environment for the Company continued to remain challenging in year 2018-19 for multiple reasons which have adversely impacted financial performance too.

While various incentives announced by the Government for Textile Industry augurs well for growth of the industry in medium to long term; however, at present the fabric market is still reeling under the after-effects of demonetisation and introduction of GST. Acute liquidity crunches continue to prevail in domestic fabric markets which reduced the working capital churns for all participants, from manufacturers to traders. The sluggish demand for apparels and readymade garments kept the demand for fabric from organised retailers and brands muted. The rotation of working capital was further impacted by more stringent financial guidelines and negative financial outlook for cotton ginners, yarn spinners and dealers. This pushed up the norms of credit period in the market significantly.

During last few years, Textile industry, especially Denim manufacturing has attracted significant new capital investment under incentive schemes announced under TUF schemes, which has now resulted into excess capacity in the industry. Most of the new manufacturers, especially entrepreneur managed set-ups, have a significant cost advantage over the old and professionally managed manufacturers in terms of lower overheads, labour cost and newer technologies. This, along with their zest for acquiring higher market share, has led to price wars in the domestic market, eroding the margins for the industry. Overall textile Industry is also going in the transformation mode where focus remains towards keeping value added process and forward integration instead of basic manufacturing capabilities. Mills are closing down the basic manufacturing capacities like spinning and weaving to outsource the same with comparatively low-cost setups.

During the year, raw material prices also moved up significantly on account of higher cotton prices (by 10% over FY18), higher colour and chemical prices due to higher crude oil prices and environmental sanctions in China which led to stoppage of production at many Chinese chemical manufacturers creating supply side shortage.

Amidst such turbulent times the Company carried out, with the assistance of an independent management consultant, a detailed analysis of its product portfolio, and based on the analysis took a strategic decision of gradually scaling down the manufacturing and selling of loss making products - Denim fabric. While this will reduce the Company's turnover in the short term, the operations will turn profitable in medium term, total debt will fall sharply and the financial position and the Balance Sheet of the Company will significantly improve.

Performance Review

Total Revenue declined by 12% to ₹ 105,457.89 Lakhs and Earnings Before Interest & Depreciation (EBIDTA) turned negative to ₹ 3,030.72 Lakhs.

Table of financials

(₹ Lakhs)

Particulars	For the year ended on			
	March 31, 2019		March 31, 2018	
	Amount	% of Revenue	Amount	% of Revenue
Revenue from Operations	102,368	97%	116,760	97%
Other Income	3,090	3%	3,290	3%
Total Revenue	105,458	100%	120,050	100%
Cost of Material Consumed	32,626	31%	39,172	33%
Purchase of Stock-in-trade	37,470	36%	38,290	32%
Changes in Inventory of Finished Goods, Work-in-progress & Stock-in-trade	3,823	4%	1,082	1%
Employee Benefit Expenses	12,041	11%	13,458	11%
Other Expenses	22,528	21%	25,523	21%
Total Expenses	108,488	103%	117,525	98%
EBIDTA	-3,030	-3%	2,524	2%
Finance Cost	3,019	3%	3,109	3%
Depreciation & Amortization	3,596	3%	3,611	3%
Loss Before Exceptional Items & Tax	-9,645	-9%	-4,195	-3%
Exceptional Items	-8,362	-8%	-	-
Loss Before Tax	-18,007	-17%	-4,195	-3%
Net Tax Expenses	-	-	17	0%
Loss for the year	-18,007	-17%	-4,178	-3%

Changes in Key Financial Ratios & Reason thereof :

Sr. No.	Ratios	FY 2018-19	FY 2017-18
1	Debtors Turnover	5.4	4.2
2	Inventory Turnover	9.9	6.9
3	Interest Coverage Ratio	-1.0	0.8
4	Current Ratio	1.0	1.1
5	Debt Equity Ratio	0.4	0.3
6	Operating Profit Margin (%)	-4.9%	0.2%
7	Net Profit Margin (%) (before exceptional items)	-9.1%	-3.5%

Note: The reasons for the changes in Key Financial Ratios are as explained herein and in Directors' Report.

Revenue from Operations and Other Income

Total Revenue of the Company declined by 12% over previous financial year. Other Income (consisting of Interest Income, Dividend Income from Long Term Investments, Net Gain on Foreign Currency Transactions and Other Non-Operating income) has also declined by 6% compared to previous year.

Debt

The Company repaid net ₹ 2,380 Lakhs in long-term debt which is primarily in the form of rupee-term loans in line with its repayment schedule. Net short-term borrowings decreased by ₹ 558 Lakhs. Borrowings were maintained to provide working capital support to the company in core operations.

Finance Costs

The finance cost for FY 18-19 were ₹ 3,019 Lakhs as against ₹ 3,109 Lakhs for FY 17-18. The decrease in finance cost is primarily on account of reduction in overall borrowings. Finance Cost as a percentage to Total Revenue however remained almost unchanged.

Depreciation

Depreciation in absolute terms decreased to ₹ 3596 Lakhs as compared to ₹ 3611 Lakhs in FY 17-18. As a percentage to Total Revenue, Depreciation remained almost unchanged.

Exceptional item

As mentioned earlier, during the year, the Company has undertaken certain strategic initiatives to restructure its fabric products portfolio and rationalise its operations which will result in cost reduction for future. As a part of this initiative, the Company has carried out detailed profitability analysis of its fabric products portfolio and based on such analysis had decided to scale down its

manufacturing operations at Navsari plant. Consequent to this decision, the Company has reviewed the utilisation of Property, Plant and Equipment, employee strength, net realisable value of inventories and balance recoverable from existing customers considering that the operations of the plant has been substantially scaled down effective April 1, 2019. Accordingly, the Company has written-down select assets under Property, Plant and Equipment, Inventories, Receivables and provided for one-time employee liabilities as exceptional items as under

		(₹ in Lacs)
Property Plant and Machinery (net of all associated cost*)	:	3,925.43
One-time employee liabilities	:	1,827.45
Write-down of current assets (Includes inventories, select receivables and other assets)	:	2,608.92
Total	:	8,361.80

* Balance realisable value is classified as "assets held for sale".

Human Resources and Safety

During the year Company had to take the painful decision of retrenching workers as well as management staff in the most amicable manner, by making the payment of ex-gratia one-time compensation/VRS, consequent to its decision of downsizing of manufacturing at its Navsari plants. The Company does believe that people are key enablers to bring the turnaround and growth of the business. The Company is emphasizing on creating a performance driven organisation where talent and merit is suitably rewarded. The Company continuously takes initiatives and measures towards building a workplace with safe work practices. The total number of Employees as at 31st March, 2019 is 2,377.

Product Portfolio Performance

As the Textile industry has an inverted duty structure under the GST regime, the excess of taxes on inputs over taxes on output remains accumulated which has led to blocking of funds in the form of accumulated GST credit for all; manufacturers, dealers and vendors, creating stress on working capital in a scenario where there is already acute liquidity shortage. In such a situation, demand for domestic trade for Company's fabric remained sluggish. In order to push the sales, the Company had to offer higher commissions and incentives to its dealers, for its 'over the counter products', which led to lowering the price realisation and consequently operating margins.

Growth in both sales volume as well as sales value remained flat in year 2018-19 as compared to previous year. The operating margins for the year 2018-19 were significantly down on account of low volumes & higher input costs. The Cotton cost was up by 10%, Polyester Fibres prices were up by 27% and Viscose Fibre prices were up by 5%. On account of sluggish demand situation, Company could not pass on increase in input cost to customers resulting in to squeeze in the operating margins.

The export of Voiles got badly impacted on account of continued geo-political disruption in our primary markets due to war in Yemen and continued political disturbances and economic issues in Saudi Arabia, Sudan, Dubai, Mauritania and Yemen.

On the positive side, the Company's leadership position in School and Corporate Uniform fabrics/garments remains intact and is expected to further strengthened in short to medium term. The Ladies wear products and Home Furnishing business also grew satisfactorily.

The Company further aims to strengthen textiles by focusing on Prints, where we have emerged as one of the leading suppliers to domestic & international brands, by expanding its Digital Printing capacities during the year under review. The Company has also decided to refocus the Ladies Blouse & Dress Material segment where Mafatlal had a large presence years ago. Under this scenario, the Company remains cautiously optimistic for Textiles.

The year 2018-19 was particularly very difficult for the entire Denim industry. The de-growth momentum continued for the third consecutive year post Demonetization/GST. Most of the Denim manufacturers liquidated their large inventories, which had piled-up in the previous years. This resulted in a sharp fall in selling prices, eroding the operating margins completely. While the performance of Denim for Q1 for the year under review was comparatively less stressed, the performance was on a downward spiral from Q2 onwards, and by the end of H1, the performance was at its lowest. In order to arrest the losses from Denim, the Company took the strategic decision to scale down its operations based on a detailed analysis carried out with the help of a multinational independent management consultant. In tandem with the decision to downsize the operations, the Company reduced workforce of denim by paying VRS of ₹ 1827 lacs.

The Company has a pessimistic view for the near-term future of the Denim industry and does not see any possibility of turning around the operations despite having taken several steps as explained above, and hence is substantially scaling down Denim operations further, during year 2019-20. Consequently, the Company has in consultation with the Statutory Auditors, recognised the impairment in the value of plant & machinery as well as stocks and receivables as explained under "Performance Review" under the caption "Exceptional Item" hereinabove.

Outlook

The management and leadership of the company is confident of turning around its financial performance in the medium term, with several strategic initiatives it has taken and under consideration. Post restructuring of the loss-making Denim operations, the Company will concentrate on its core products in Textiles, as well as introduce new products in which the company held positions of strengths earlier. Further, the Company's debt levels will be expected to shrink significantly in medium term and the healthier financial position of the Company will lead to reduced operating and financial costs.

Annexure II to Directors' Report
Corporate Governance Report

This Corporate Governance Report for the year ended 31st March, 2019, 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 (as amended).

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 much 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, 2019. 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 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 amended and further details are as follows for the year 2018-19 :

Sr. No.	Name of Director	Category	Board Meetings Held	Board Meetings Attended	Attendance at last AGM held on 31 st July, 2018	Directorships held in listed companies including Mafatlal Industries Limited at the year end	Other Directorships held (including Pvt companies) at year end	\$ No. of Committee Memberships/ Chairmanship in other companies at year end	
								As Chairman	As Member
1.	Shri Hrishikesh A. Mafatlal (Executive Chairman)	Promoter-Executive	07	07	Yes	02	05 (03 Pvt.Ltd)	Nil	01
2.	Shri Atul K. Srivastava	Non-Executive Non-Independent	07	06	Yes	02	01	Nil	01
3.	Shri Vilas R. Gupte	Non-Executive Independent	07	07	Yes	02	01	Nil	02
4.	Shri Pradip N. Kapadia	Non-Executive Independent	07	07	Yes	03	10 (06 Pvt.Ltd)	02	06
5.	Smt. Latika P. Pradhan	Non-Executive Independent	07	07	Yes	02	01	01	Nil
6.	Shri Gautam G. Chakravarti	Non-Executive Independent	07	06	Yes	01	01	Nil	Nil
7.	Shri Sujal A. Shah	Non-Executive Independent	07	07	Yes	04	12 (05 Pvt.Ltd)	02	04
8.	Shri Aniruddha P. Deshmukh (Managing Director)*	Executive Non- Independent	07	06	Yes	01	Nil	Nil	Nil
9.	Shri Priyavrata. H. Mafatlal**	Promoter-Executive	07	06	Yes	02	02 (01 Pvt.Ltd)	Nil	Nil

\$ Only Memberships/Chairmanships of Audit Committee and Stakeholders Relationship Committee in all Public Limited Companies (excluding Mafatlal Industries Limited) are considered

* Shri Aniruddha P. Deshmukh ceased to be a MD & CEO of the Company as well as a Director of the Company w.e.f. the close of business hours on 31.03.2019

** Shri Priyavrata H. Mafatlal re-designated as CEO & Executive Director of the Company w.e.f. 01.04.2019

Names of other Listed Companies where a Director is a Director :-

Sr. No.	Name of Directors	Name of the Listed Entity (excluding Mafatlal Industries Limited) in which a person is a Director and category of Directorship
1.	Shri Hrishikesh A. Mafatlal	Promoter Director (Executive Chairman) NOCIL Limited
2.	Shri Atul K. Srivastava	Non-Executive Non-Independent Director Navin Fluorine International Limited

Sr. No.	Name of Directors	Name of the Listed Entity (excluding Mafatlal Industries Limited) in which a person is a Director and category of Directorship
3.	Shri Vilas R. Gupte	Non-Executive Non- Independent Director NOCIL Limited
4.	Shri Pradip N. Kapadia	Non-Executive Independent Director 1) Gokak Textiles 2) Navin Fluorine International Limited
5.	Smt. Latika P. Pradhan	Non-Executive Independent Director Teamlease Services Ltd.
6.	Shri Gautam G. Chakravarti	NIL
7.	Shri Sujal A. Shah	Non-Executive Independent Director 1) Amal Limited 2) Hindoostan Mills Ltd. 3) Amrit Corporation Ltd.
8.	Shri Aniruddha P. Deshmukh	NIL
9.	Shri Priyavrata. H. Mafatlal	Promoter Non-Executive Director NOCIL Limited

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

During the year under review viz., 1st April, 2018 to 31st March, 2019, total 07 (Seven) Meetings of the Board of Directors of the Company were held on the following dates viz., 03rd May, 2018, 1st June 2018, 30th July, 2018, 31st October, 2018, 17th December, 2018, 31st January, 2019, and 27th March, 2019. All Directors remained present for all the said meetings except Shri A. K. Srivastava for the Meeting held on 1st June, 2018, Shri Gautam G. Chakravarti for meeting held on 1st June, 2018, Shri Aniruddha P. Deshmukh for meeting held on 1st June, 2018, and P. H. Mafatlal for meeting held on 1st June, 2018, for which requisite leave of absence were granted as requested.

The Company has thus, observed the applicable provisions of the Companies Act, 2013, read with applicable Secretarial Standards (SS) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 26th March, 2019. 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 Directors	Number of Equity Shares of RS. 10/- each held as at 31st March, 2019
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.

Familiarization Programme for Independent Directors

The Company has a detailed familiarization programme for Independent Directors. 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/2019/05/Familiarization_Programmes_2018-19.pdf

Skills, Expertise & Competence of the Board of Directors

The Board of Directors of the Company comprises of persons with varied experiences in different areas who bring in the required skills, competence and expertise that allows them to make effective contribution to the Board and its committees. The following list summarizes the key skills, expertise and competence that the Board thinks is necessary for functioning in the context of the Company's business and sector and which in the opinion of the Board, its Members possess: 1. Commercial 2. Finance

including Accounts, Audit, Taxation, 3. Sales and marketing 4. Science and technology including IT 5. Domain industry 6. General management and Human Resources 7. Legal & Advisory.

Further the Independent Directors of the Company in the opinion of the Board, fulfils the conditions of the Independence as specified in pursuant to Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. It may be noted that None of the Independent Directors have resigned before the expiry of their tenure.

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 as amended. 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, four 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 2018-19	Shri Vilas R. Gupte	Smt. Latika P. Pradhan	Shri Sujal A. Shah	Shri Gautam G. Chakravarti
1.	3 rd May, 2018	Yes	Yes	Yes	Yes
2.	30 th July, 2018	Yes	Yes	Yes	Yes
3.	31 st October, 2018	Yes	Yes	Yes	Yes
4.	31 st January, 2019	Yes	Yes	Yes	Yes

Yes - Attended, No - Not Attended

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 consists 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 Vilas R. Gupte	Shri Pradip N. Kapadia	Shri Gautam G. Chakravarti
1.	3 rd May, 2018	Yes	Yes	Yes
2.	17 th December, 2018	Yes	Yes	Yes
3.	26 th March, 2019	Yes	Yes	Yes

Yes - Attended, No - Not Attended

Performance Evaluation of Independent Directors

As required under the provisions of the Companies Act, 2013 read with other provisions, each of the Directors performance evaluation was carried out based on the criteria of evaluation framed by the Nomination & Remuneration Committee and approved by the Board as per the applicable provisions inter-alia the following:

Evaluation Criteria:-

General

- Well educated, experienced having knowledge and competency
- 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.
- Integrity, initiative, Commitment and Discipline towards his roll and responsibilities including conforming to the applicable laws, regulations, rules and guidelines issued thereunder.
- Exercising Independent views, prudence & Judgement, without conflict of any interest.
- Maintenance of satisfactory attendance at the meetings of the Board and its Committees.
- Diligence in preparation and remaining well-informed, taking initiative with respect to various areas.
- 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.

Remuneration of Directors

There are no pecuniary relationships 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 2018-19, 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 Company has not paid any commission to any Directors for the year 2018-19. Shri H. A. Mafatlal, Executive Chairman of the Company had voluntarily opted for waiver of the remuneration for the year 2018-19. Further Shri Priyavrata H. Mafatlal (Executive Director) has also voluntarily opted for waiver of remuneration for the period September, 2018 to March, 2019.

Details of Remuneration paid to all Directors

(in ₹ lacs)

Sr. No.	Names of Directors	Salary, Allowances & Perquisites	Commission	Sitting Fees	Total
1.	Shri Hrishikesh A. Mafatlal	Nil	Nil	Nil	Nil
2.	Shri Atul K. Srivastava	Nil	Nil	7.00	7.00
3.	Shri Vilas R. Gupte	Nil	Nil	12.60	12.60
4.	Shri Pradip N. Kapadia	Nil	Nil	8.40	8.40
5.	Smt. Latika P. Pradhan	Nil	Nil	10.50	10.50
6.	Shri Gautam G. Chakravarti	Nil	Nil	11.20	11.20
7.	Shri Sujal A. Shah	Nil	Nil	8.40	8.40
8.	Shri Aniruddha P. Deshmukh *(upto 31.03.2019)	227.47	Nil	Nil	227.47
9.	Shri Priyavrata H. Mafatlal*	25.24	Nil	Nil	25.24

*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 2018-19 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, which is lapsed as at 31st March, 2019 due to his resignation from the services of the Company.

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 2018-19, 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 & Disclosure" Section.

5. Stakeholders' Relationship Committee

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

During the year 2018-19 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 Atul K. Srivastava	Shri Pradip N. Kapadia	Shri Hrishikesh A. Mafatlal
1.	26 th March, 2019	Yes	Yes	Yes

Yes - Attended, No - Not Attended

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 Fintech 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, 2018 to 31st March, 2019, are as follows:

Numbers of investors complaints pending as on 1st April, 2018 : Nil

Number of investors complaints received : 14

Complaint not resolved to the satisfaction of shareholders: Nil

Number of pending complaints (as at 31.03.2019) : Nil

6. General Body Meetings

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

Sr. No.	Location	Time	Annual General Meeting and Date	Any Special Resolutions passed 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.	104 th Annual General Meeting held on 31 st July, 2018	Yes (1)
2	J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad-380 015	10.00 A.M.	103 rd Annual General Meeting held on 2nd August, 2017	Yes (6)
3.	J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad-380 015	10.00 A.M.	102 nd Annual General Meeting held on 11th August, 2016	Yes (5)

Postal Ballot

There has been no resolutions passed through postal ballot during the year 2018-19.

However, the Board of Directors of the Company has at their meeting held on 16th May, 2019 approved seeking approval from the shareholders for two special resolutions proposed through postal ballot. Separate notice of Postal Ballot is being issued to the shareholders along with the procedure for voting and postal ballot forms. The notice with requisite enclosures will be posted on the Company's website and shared with the stock exchanges in due course of time in compliance with the applicable provisions.

7. 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 wherever acceptable. Additionally the Results are also displayed on the Company's website www.mafatlals.com.

ii) Newspapers wherein results normally published:

Publication of Results and Statutory Notices to the shareholders/members is normally published in Financial Express — English — All India Edition and Financial Express in Gujarati in Ahmedabad.

iii) Any website, where displayed:

All disclosures including the Financial Results are displayed by the Company on its website www.mafatlals.com under "Financial & Disclosure" section.

iv) Whether it also displays official news releases:

Yes

v) Presentations made to institutional investors or to the analysts:

None

8. General Shareholder Information

i) Annual General Meeting — date, time and venue:

105th Annual General Meeting of the Company will be held on Friday, 2nd August, 2019 at 10.00 A.M. at J.B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad-380 015.

ii) Financial Year:

April 1st to March 31st every year

iii) Dividend Payment Date:

N.A.

The Board of Directors has regretted their inability to recommend/declare any dividend for the year 2018-19 in view of the losses incurred by the Company.

iv) 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 2019-20 to BSE Ltd. only.

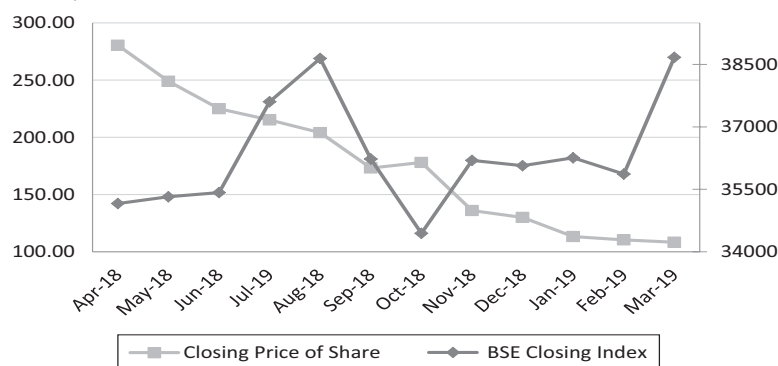
v) Stock Code and ISIN:

- ISIN : INE270B01027
- BSE Limited: Security Code: 500264
- Ahmedabad Stock Exchange Ltd.: Security Code: 34100

vi) Market price data high, low during each month of last Financial Year:

Month	High	Low	Sensex High	Sensex Low	No of Trades
Apr-18	292.95	230.05	35,213.30	32,972.56	406
May-18	285	228	35,993.53	34,302.89	461
Jun-18	252	200	35,877.41	34,784.68	361
Jul-18	246.5	183.6	37,644.59	35,106.57	332
Aug-18	241	201.4	38,989.65	37,128.99	566
Sep-18	212.4	171.05	38,934.35	35,985.63	291
Oct-18	192	150	36,616.64	33,291.58	347
Nov-18	183.9	129	36,389.22	34,303.38	995
Dec-18	144.95	115.3	36,554.99	34,426.29	448
Jan-19	134.95	108	36,701.03	35,375.51	434
Feb-19	115	94	37,172.18	35,287.16	424
Mar-19	115	100.05	38,748.54	35,926.94	558

vii) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc.: BSE - Closing Index Vs. Closing Price of Share April, 2018 to March, 2019:



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

Not applicable.

ix) Registrar to an issue and share Transfer Agents:

M/s. Karvy Fintech Pvt. Ltd.

Karvy Selenium, Tower B, Plot No.31&32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032, India. E-mail: einward.ris@karvy.com Website: www.karvyfintech.com

x) 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 of the Board. The Share Transfer Committee has been re-constituted post the resignation of Shri Aniruddha P Deshmukh and presently

Shri Atul K. Srivastava, Shri Hrishikesh A. Mafatlal and Shri Priyavrata H. Mafatlal are the members of the Committee. The share transfers are registered and returned within permitted time (except the disclosures made from time to time to the stock exchange) from the date of receipt if relevant documents are completed & verification is proper in all respects.

x) *Distribution of Shareholding as on 31.03.2019:*

Sr. no.	Category (Shares)	No. of Holders	% Holders	No. of Shares	% Equity
1	1 – 50	99551	97.16	473196	3.4
2	51 - 500	2502	2.44	408749	2.94
3	501 - 1000	210	0.2	160641	1.15
4	1001 - 2000	73	0.07	106838	0.77
5	2001 - 3000	30	0.03	73904	0.53
6	3001 - 4000	14	0.01	48300	0.35
7	4001 - 5000	13	0.01	62923	0.45
8	5001 - 10000	18	0.02	125744	0.9
9	10001 - Above	51	0.05	12452591	89.5
	TOTAL	102462	100	13912886	100

xi) *Shareholding Pattern as on 31.03.2019:*

Sr. No.	Category	Number of Shares held	% of holding
1	Promoter & Promoter Group	10028249	72.08
2	Mutual Funds	2014	0.01
3	Banks / Financial Institutions / Insurance Companies / State Government Institutions/UTI	358649	2.58
4	FIIS (Foreign Institutional Investors)	0	0.00
5	Bodies Corporate	363938	2.62
6	Indian Public	3098948	22.27
7	NRI/ OCBs	61070	0.44
8	Any Other (please specify) Trust	18	0.00
	Total	13912886	100.00

xii) *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 INE2701301027. As on 31st March, 2019, 19406 shareholders holding 13470034 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 only at BSE Limited. There has been no trading activity at The Ahmedabad Stock Exchange Limited (ASE) for many years since ASE is non functional.

xiii) *Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity:*

None

xiv) *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. There has been no exposure of the Company in commodity hedging for the year 2018-19. Hence the disclosure required by SEBI Circular dated 15th November, 2018 are not applicable.

xv) *Plants/ Factories location:*

- o Nadiad Unit : Kapadvanj Road, Nadiad 387 001.
- o Navsari Unit : Vejalpore Road, Navsari 396 445
- o Mazgaon Unit (Non-operational) : Rambhau Bhogale Marg, Mazgaon, Mumbai 400 010.

xvi) *Address for Correspondence: Karvy Fintech Private Limited*

Hyderabad Address	Mumbai Address	Ahmedabad Address
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel: 040 6716 2222, Fax: 040 2342 0814, E-mail: einward.ris@karvy.com website: www.karvyfintech.com	24B, Rajabhadur 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 or ahmedabad@mafatlals.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 at its Corporate Office.

Mafatlal Industries Limited

Corporate Identity Number: L17110GJ1913PLC000035

Registered Office: 301-302 Heritage Horizon, 3rd Floor, Off: C. G. Road, Navrangpura, Ahmedabad - 380 009. Tel: 079 26444404-06, Fax : 079 26444403 Email: ahmedabad@mafatlals.com Website: www.mafatlals.com	Corporate Office: Kaledonia Office No.3, 6th floor, 'B' Wing, Opp. Vijay Nagar Society, Sahar Road, Andheri (E), Mumbai - 400069 Tel: 91 22 6771 3800, Fax: 91 22 6771 3924
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- xvii) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

The Company has obtained its credit ratings from Care Ratings Limited. As on date 22nd January, 2019 and as of date the rating is as follows :

Facilities	Amount (₹ crore)	Rating1	Rating Action
Long term Bank Facilities- Term Loan	57.50	CARE BBB-; Negative (Triple B Minus;Outlook: Negative)	Reaffirmed
Long term Bank Facilities – Fund Based Facilities	105.00	CARE BBB-; Negative (Triple B Minus;Outlook: Negative)	Reaffirmed
Long /Short term Bank Facilities – Fund/Non Fund Based	37.50	CARE BBB-; Negative/CARE A3 (Triple B Minus;Outlook: Negative/A Three)	Reaffirmed

Total Facilities Rated: 200.00 (Rupees Two Hundred Crores Only)

- xviii) Other Disclosures:

- 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
- 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 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 ₹ 50,000/-, which was paid by the Company and the matter was settled.
- 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 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the amended SEBI (Prohibition of Insider Trading) Regulation, 2015 the Company has devised vigil mechanism and has whistle blower policy duly amended, 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/2019/04/Mafatlal-Whistle-Blower-Policy-new.pdf>
- 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 read with other applicable provisions. Internal Complaints Committees are constituted. 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 Managing Director for the year 2018-19. Shri H. A. Mafatlal is an Executive Chairman of the Company. Shri Aniruddha P Deshmukh was the Managing Director & CEO of the Company up to 31st March, 2019. Shri Priyavrata H. Mafatlal has been appointed as Chief Executive Officer & Executive Director of the Company w.e.f. 1st April, 2019. 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.

- f) Web link where policy for determining 'material' subsidiaries: https://www.mafatlals.com/wp-content/uploads/2017/08/policy_on_materiality_of_subsiary.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
- h) The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).
- i) A certificate received from Umesh Ved & Associates, Company Secretaries, as to none of the Directors of the Company are debarred or disqualified from being appointed or continuing as a Directors of the Companies is annexed to this report.
- j) The Board of Directors have accepted all recommendation of all the Committee of the Board during Financial Year 2018-19.
- k) Total fees for all services paid by the Listed Entity and its Subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part.

Description of Service	Amount in ₹ Lacs
Audit Fees	35.00
For Other Services (Limited Review of quarterly results, RBI & other certifications, Corporate Governance Audit)	17.00
Reimbursement of Expenses	1.17
	53.17

- l) Disclosures with respect to Demat suspense account/ unclaimed suspense account:
Not Applicable
- m) 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.
- n) 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.
- o) Disclosure of accounting treatment different from accounting standards:
None
- p) 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 Chief Executive Officer & Executive 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.
- q) CEO/ CFO Certification:
The Managing Director and Chief Financial Officer of the company gives (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 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 as amended, this is to confirm that all the members of the Board and the Senior Management Personnel of the Company have affirmed the compliance with the Code of Conduct of the Company for the year ended 31st March, 2019.

For and on behalf of Board

Place : Mumbai
Date : 16th May, 2019

Priyavrata H. Mafatlal
Chief Executive Officer and Executive Director
(DIN 02433237)

For and on behalf of Board

Place : Mumbai
Date : 16th May, 2019

Hrishikesh A. Mafatlal
Executive Chairman
(DIN 00009872)

Regd. Office:

Mafatlal Industries Limited
(CIN L1711OGJ1913PLC000035)
301-302, Heritage Horizon, 3rd Floor,
Off: C G Road, Navrangpura,
Ahmedabad 380009.
Tel: 079 - 2644440406 Fax: 079 26444403,
Email: ahmedabad@mafatlals.com
Website: www.mafatlals.com

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 31/03/2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies

(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 operational for many years.)
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any :	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Mandal, Hyderabad-500032, India Tel: 040 6716 2222 Fax: 040 2342 0814 E-mail: einward.ris@ karvy.com, website: www.karvyfintech.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:

Category code	Category of shareholder	No. of shares held at the beginning of the year 01/04/2018				No. of shares held at the end of the year 31/03/2019				% 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	4865765	0	4865765	34.97	0.00
(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0	0.00	0.00
(c)	Bodies Corporate	5483927	0	5483927	39.42	5097595	0	5097595	36.64	2.78
(d)	Financial Institutions / Banks	0	0	0	0	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	10028249	0	10028249	72.08	2.78
2	FOREIGN									
(a)	Individuals (NRIs/ Foreign Individuals)	0	0	0	0	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0.00	0.00
(e)	Others	0	0	0	0	0	0	0	0.00	0.00
Sub-Total A(2) :		0	0	0	0	0	0	0	0.00	0.00
Total A=A(1)+A(2)		10414785	0	10414785	74.86	10028249	0	10028249	72.08	2.78
(B)	PUBLIC SHAREHOLDING									
1	INSTITUTIONS									
(a)	Mutual Funds /UTI	3	8970	8973	0.06	3	8970	8973	0.06	0
(b)	Financial Institutions /Banks	208077	790	208867	1.50	211717	797	212514	1.53	-0.03
(c)	Central Government / State Government(s)	0	0	0	0	0	0	0	0.00	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0.00	0
(e)	Insurance Companies	142815	1	142816	1.03	142815	1	142816	1.03	0
(f)	Foreign Institutional Investors	0	0	0	0	0	0	0	0.00	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0.00	0
(h)	Qualified Foreign Investor	0	0	0	0	0	0	0	0.00	0
(i)	Others	0	0	0	0	0	0	0	0.00	0
Sub-Total B(1) :		350895	9761	360656	2.59	354535	9768	364303	2.62	-0.03
2	NON- INSTITUTIONS									
(a)	Bodies Corporate									
	1) Indian	117853	1772	119625	0.86	363244	1771	365015	2.62	-1.76
	2) Overseas									
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	882521	449695	1332216	9.58	1673582	430718	2104300	15.12	-5.54
	(ii) Individuals holding nominal share capital excess ₹1 lakh	1631605	0	1631605	11.73	989931	0	989931	7.12	4.61
(c)	Others									
	1) NON RESIDENT INDIANS	53702	58	53990	0.39	60484	586	61070	0.44	0.05
	2) TRUSTS	9	0	9	0	18	0	18	0.00	0.00
(d)	Qualified Foreign									
Sub-Total B(2) :		2685390	452055	3137445	22.55	3087259	433075	3520334	25.30	2.75
Total B=B(1)+B(2):		3036285	461816	3498101	25.14	3441794	442843	3884637	27.92	2.78
Total (A+B):		13451070	461816	13912886	100	13470043	442843	13912886	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	0	0	0	0	0
GRAND TOTAL (A+B+C):		13451070	461816	13912886	100	13470043	442843	13912886	100.00	

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018				Shareholding at the end of the year 31.03.2019				% change in Shareholding during the Year
		No. of Shares	% of total shares of the company	No. of shares Pledged/encumbered	% of shares Pledged encumbered to total shares	No. of Shares	% of total shares of the company	No. of shares Pledged/encumbered	% of shares Pledged encumbered to total shares	
1	HRISHIKESH A MAFATLAL	2673046	19.21	0	0.00	2673046	19.21	0	0.00	0.00
2	NOCIL LIMITED	1954695	14.05	0	0.00	1954695	14.05	0	0.00	0.00
3	SUREMI TRADING PVT LTD	1189431	8.55	677578	4.87	1189431	8.55	677578	4.87	0.00
4	NAVIN FLUORINE INTERNATIONAL LIMITED	386332	2.78	0	0.00	0	0.00	0	0.00	2.78
5	ALTAMOUNT PRODUCTS AND SERVICES PVT LTD	1064443	7.65	1064443	7.65	1064443	7.65	1064443	7.65	0.00
6	SUKARMA INVESTMENTS PRIVATE LIMITED	839173	6.03	839123	6.03	839173	6.03	839123	6.03	0.00
7	REKHA HRISHIKESH MAFATLAL	804283	5.78	0	0.00	804283	5.78	0	0.00	0.00
8	PRIYAVRATA MAFATLAL	558722	4.02	0	0.00	558722	4.02	0	0.00	0.00
9	HRISHIKESH A MAFATLAL	503104	3.62	0	0.00	503104	3.62	0	0.00	0.00
10	ANJALI KUNAL AGARWAL	177430	1.28	0	0.00	177430	1.28	0	0.00	0.00
11	AARTI MANISH CHADHA	149180	1.07	0	0.00	149180	1.07	0	0.00	0.00
12	CHETNA PADMANABH MAFATLAL	204	0.00	0	0.00	0	0.00	0	0.00	0.00
13	ARVI ASSOCIATES PVT LTD	25259	0.18	0	0.00	25259	0.18	0	0.00	0.00
14	GAYATRI PESTICHEM MANUFACTURING PVT LTD	22305	0.16	0	0.00	22305	0.16	0	0.00	0.00
15	SUSHRIPADA INVESTMENTS PVT LTD	2269	0.02	0	0.00	2269	0.02	0	0.00	0.00
16	SUMIL HOLDINGS PVT LTD	10	0.00	0	0.00	10	0.00	0	0.00	0.00
17	SHAMIR TEXCHEM PRIVATE LIMITED	10	0.00	0	0.00	10	0.00	0	0.00	0.00
18	SHRI HRISHIKESH ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO 1	24128	0.17	0	0.00	24128	0.17	0	0.00	0.00
19	SETH NAVINCHANDRA MAFATLAL FOUNDATION TRUST NO 1	16506	0.12	0	0.00	16506	0.12	0	0.00	0.00
20	SHRI PRANSUKHLAL CHARITY TRUST NO 1 to 6	4716	0.03	0	0.00	4716	0.03	0	0.00	0.00
21	NAVINCHANDRA MAFATLAL CHRITY TRUST NO. 2 to 15	11004	0.08	0	0.00	11004	0.08	0	0.00	0.00
22	VISHAD P MAFATLAL PUBLIC CHARITABLE TRUST NO.1 to 4	2496	0.02	0	0.00	2496	0.02	0	0.00	0.00
23	MRS MILONI PADMANABH MAFATLAL PUBLIC CHARITABLE TRUST NO 1 to 5	2692	0.02	0	0.00	2692	0.02	0	0.00	0.00
24	SHRI PADMAKESH PUBLIC CHARITY TRUST NO 1 to 4	2168	0.02	0	0.00	2168	0.02	0	0.00	0.00
25	MRS VIJAYALAXMI NAVINCHANDRA MAFATLAL PUBLIC CHARITY TRUST NO 16, 19 & 20	1179	0.01	0	0.00	1179	0.01	0	0.00	0.00
	Total	10414785	74.86	2581144	18.55	10028249	72.08	2581144	18.55	2.78

Note : *Please refer to the Directors Report relating to the re-classification of certain Promoter entities from "Promoter" and "Promoter Group" category to "Public" category.

(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 (01/04/2018)	10414785	74.86	10414785	74.86
2	At the end of the Year (31/03/2019)	10028249	72.08	10028249	72.08

*Please refer to the Directors Report relating to the re-classification of certain Promoter entities from "Promoter" and "Promoter Group" category to "Public" category.

(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, 2018)			Shareholding at the end of the Year (31st March, 2019)		
		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	594219	4.27	31/03/2018		594219	4.27
				20/04/2018	-594219	0	0.00
				30/03/2019		0	0.00
2	BHARAT JAYANTILAL PATEL	0	0.00	31/03/2018		0	0.00
				20/04/2018	594219	594219	4.27
				30/03/2019		594219	4.27
3	NAVIN FLUORINE INTERNATIONAL LIMITED*	0	0.00	31/03/2018		0	0.00
				02/11/2018	386332	386332	2.78
				09/11/2018	-48826	337506	2.43
				16/11/2018	-1113	336393	2.42
				23/11/2018	-50596	285797	2.05
				30/11/2018	-724	285073	2.05
				14/12/2018	-1000	284073	2.04
				21/12/2018	-16305	267768	1.92
				31/12/2018	-115	267653	1.92
				11/01/2019	-204	267449	1.92
				01/02/2019	-871	266578	1.92
				01/03/2019	-152	266426	1.91
				08/03/2019	-1465	264961	1.90
				15/03/2019	-1218	263743	1.90
				22/03/2019	-127	263616	1.89
4	HARDIK B. PATEL	181963	1.31	30/03/2019		263616	1.89
				31/03/2018		181963	1.31
5	STATE BANK OF INDIA	168428	1.21	30/03/2019		181963	1.31
				31/03/2018		168428	1.21
6	LIFE INSURANCE CORPORATION OF INDIA	142815	1.03	30/03/2019		168428	1.21
				31/03/2018		142815	1.03
7	RUCHIT BHARAT PATEL	102749	0.74	30/03/2019		142815	1.03
				31/03/2018		102749	0.74
8	MAYUR V SHAH	90000	0.65	30/03/2019		102749	0.74
				15/03/2019	21000	111000	0.80
				30/03/2019		111000	0.80
9	BHARATI BHARAT DATTANI	68402	0.49	30/03/2019		111000	0.80
				31/03/2018		68402	0.49
10	MAYUR V SHAH	60000	0.43	30/03/2019		68402	0.49
				31/03/2018		60000	0.43

*Navin Fluorine International Limited was reclassified from "Promoter" and "Promoter Group" category to "Public" category.

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

Sr. No.	Shareholding of each Director and KMP	Shareholding at the beginning of the Year (01 st April, 2018)		Cumulative Shareholding at the end of the Year (31 st March, 2019)	
		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)	3176150	22.83	3176150	22.83
2	Shri Priyavrata H. Mafatlal	558722	4.02	558722	4.02
3	Shri Vilas R. Gupte	2	0	2	0
4	Shri Pradip N. Kapadia	138	0	138	0
5	Shri A. K. Srivastava*	NA	NA	NA	NA
6	Shri Aniruddha P Deshmukh*	NA	NA	NA	NA
7	Shri Gautam G. 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, 2019

Indebtedness as on 31.03.2019	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning 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
Change in Indebtedness during the financial year				-
Addition	275.96	-	-	275.96
Reduction	2,915.09	-	-	2,915.09
Net Change	-2,639.14	-	-	-2,639.14
Indebtedness at the end of the financial year				-
i) Principal amount	20,697.16	-	-	20,697.16
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	89.31	-	-	89.31
Total (i+ii+iii)	20,786.47	-	-	20,786.47

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:
A. Remuneration to Managing Director, Whole-time Directors and/or Manager for the year 2018-19

(₹ 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			
	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	202.87	21.92	224.79
	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.40	0.80
	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) (since lapsed as at 31.03.2019)	18,000	NIL	NIL
3	Sweat Equity - as % of profit - Other, specify	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 b. Company's contribution to the Superannuation Fund c. PL encashment d. Gratuity (at the end of tenure)	11.76 0.06 12.38	1.30 NIL 1.62	13.06 0.06 14.00
	Total (A)	227.47	25.24	252.71
	- Ceiling as per Sec. 197 of The Companies Act, 2013	Negative	Negative	Negative

B. Remuneration to other Directors for the year 2018-19:

Sr. No.	Particulars of Remuneration	₹ In Lakhs					
1	Independent Directors	Shri V. R. Gupte	Shri P. N. Kapadia	Smt. Latika Pradhan	Shri Sujal Shah	Shri Gautam Chakavarti	Total Amount
	· Fee for attending Board & Committee Meetings	12.60	8.40	10.50	8.40	11.20	51.10
	· Commission	Nil	Nil	Nil	Nil	Nil	-
	· Others, please specify	Nil	Nil	Nil	Nil	Nil	-
2	· Other Non-Executive Directors	Shri A. K. Srivastava	-	-	-	-	-
	· Fee for attending Board & Committee Meetings	7.00	-	-	-	-	-
	· Commission	Nil	-	-	-	-	-
	· Others, please specify	Nil	-	-	-	-	-
	Total (2)	7.00	-	-	-	-	7.00
	Total (B) = (1+2)	-	-	-	-	-	58.10
	Overall Ceiling as per the Act	-	-	-	-	-	-
	Total Remuneration(A)+(B)	-	-	-	-	-	-

There was no commission paid to any directors in respect of financial year 2018-19. Shri H. A. Mafatlal, Executive Chairman of the Company had voluntarily opted for waiver of remuneration for the year 2018-19. Further Shri Priyavrata H. Mafatlal (Executive Director) has also voluntarily opted for waiver of his remuneration for the period September, 2018 to 31st March, 2019.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD for 2018-19:

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	168.22	29.45	197.67
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	0.40	0.32	0.72
	(c) Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961			

Sr. No.	Particulars of Remuneration	Key Managerial Personnel (₹ in Lakhs)		
		Shri Milan P. Shah (Chief Financial Officer)	Shri A. A. Karanji (Company Secretary)	Total
2	Stock Option (no. of options granted but not vested/exercised)	NIL	NIL	NIL
3	Sweat Equity	14,000	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL	NIL
5	Others, please Specify			
	a. Company's contribution to the Provident Fund	8.75	1.47	10.22
	b. Company's contribution to the Superannuation Fund	1.50	1.83	3.33
	c. PL encashment	NIL	NIL	NIL
	d. Gratuity (at the end of tenure)	NIL	NIL	NIL
	Total	178.87	33.07	211.94

VI. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES PAID/DONE FOR THE YEAR 2018-19: NIL
OTHER DISCLOSURES UNDER DIRECTORS REPORT:
(A) Number of Meetings of the Board:

During the year 2018-19 i.e. from 1.04.2018 to 31.03.2019, seven meetings of the Board of Directors of the Company were held.

(B) Changes in Share Capital:

During the year 2018-19 there was no change in the Share Capital of the Company.

(C) 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 have been taken on record by the Board of Directors of the Company at their meeting held on May 16, 2019. Further Shri A. K. Srivastava who is proposed for appointment as Independent Director at the ensuing AGM has also provided requisite declarations/confirmations as are required from an Independent Director proposed for his appointment.

(D) 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:

- He should be a person of integrity, with high ethical standards.
- He should be able to commit to his responsibilities and devote sufficient time and attention to his professional obligation as a Director.
- He should be having positive thinking, courtesy, humility.
- He should be knowledgeable and diligent in updating his knowledge.
- He should have qualifications, skills, experience and expertise by which the Company can benefit.
- 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.
- 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:

- He should have the required educational qualification, skills and functional knowledge for the post and eye for detailing & compliance.
- 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.
- Screening of the potential conflicts of interest and independence.
- Detailed background information in relation to a potential candidate should be provided to all directors.
- 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.

(E) Comments on the Auditors Report:

The Audit Report on the financial statements for the year ended on 31st March, 2019 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.

(F) Particulars of Loans, Guarantees or Investments:

The requisite details are provided in the Directors Report.

(G) 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.

(H) 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.

(I) 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 2018-19 hence there is no CSR expenditure incurred by the Company. The further prescribed details are mentioned under other para of this annexure.

(J) Composition of Audit Committee:

The Audit Committee of the Board of Directors of the Company, comprises of Shri V. R. Gupte (Chairman), Shri Sujal A. Shah, Smt. Latika P. 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.

(K) 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.

(L) Other Disclosures:

- 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.

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

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. The transaction amounts were not exceeding the applicable statutory limits and therefore no approvals from the shareholders were required. The further details are provided hereunder in AOC 2.

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014

Disclosure of the Related Party Transactions of Mafatlal Industries Limited for the year ended 31st March, 2019
1 Details of contracts or arrangements or transactions not at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transaction	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the Ordinary resolution was passed in general meeting as required under the first proviso to section 188
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NIL

2 Details of material contracts or arrangements or transactions at arm's length basis

(₹ In Lakhs)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions/salient terms	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
1	NOCIL Ltd	Rendering of Services	Continuing arrangement towards recovery of utility & service charges cost /fees apportionment	13.08	03.05.2018	Nil
2	Mafatlal Services Limited	Receiving of Services	Continuing arrangement towards payment of utility & service charges cost /fees apportionment	13.01	03.05.2018	Nil
3	NOCIL LTD	Dividend Received	Dividend declared by Investee company and received by the Company as shareholders	650.20	03.05.2018	Nil
4	Suremi Trading Pvt. Ltd.	Sale of Goods	Continuing arrangement where in sale price of Company goods charged are not less than other customers	0.36	03.05.2018	Nil
5	Arvi Associates Pvt Ltd	License Fees under Leave & License Agreement.	Continuing arrangement towards leave & license fees for 200 sq .ft. area at Company's premises in Mumbai	2.28	31.01.2019	Nil

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions/salient terms	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
6	Gayatri Pestichem Mfg. Pvt Ltd	License Fees under Leave & License Agreement	Continuing arrangement towards leave & license fees for 20 sq. ft. area at Company's premises in Ahmedabad	0.12	31.01.2019	Nil
7	Suremi Trading Private Limited	Sale of 10,000 Equity Shares of Arvi Associates Pvt. Ltd. held by the Company	The Sale price is above the fair price as per the valuation report obtained from independent valuer.	272.50	31/01/2019	Nil
8	Hrishikesh A Mafatlal	Sale of 20 Equity Shares of Suremi Trading Private Limited held by the Company	The Sale price is above the fair price as per the valuation report obtained from independent valuer.	64.81	31/01/2019	Nil

Note: All Related Party Transactions (as aforesaid) were done with the prior approval of the Audit Committee and the Board.

(M) Statement pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2019.

(1) CONSERVATION OF ENERGY:

(A) Steps taken or impact on conservation of energy:

- Over 40.5 Lakh Units were utilized from Solar Generation through agreement with Solarism.
- Installation of Variable Frequency Drive for New Unit ELGI Screw Air Compressor.
- Detailed reviews and audits were conducted for Air distribution network and at the Machine end. Leakages were identified and attended and constant reviews resulted in reduction of Air compressors power consumption.
- Installed Energy efficient LED Lights / Highbay fixtures in place of conventional Copper/ Electronics ballast fixtures.
- In Autocorner m/cs Air pressure set Point was reduced by 0.5 Kg/cm²
- Installed Tubular type Diffuser in place of Surface Aerator at Aeration Tank in Effluent Treatment plant, to reduce power consumption.
- Cross Functional Team was formed for reduction of Water consumption for various sections. Detail monitoring and analyses carried out which resulted in reduction of Effluent Generation of water by 25 %
- Close monitoring done, attended various steam leakages and installed Steam condensate recovery pump at various at new locations, which resulted in reduction of steam consumption per mtr. of fabric
- Reuse of 150 KLD RO Reject water for Printing colour kitchen / Toilet block/ Ash handling plant.
- Reuse of 250 KLD Hot water from Cooling cycle of various m/cs in Dyeing section.
- Installed Hydro pneumatic Pressure system for Hard water distribution, which resulted in both Water and power saving.
- Reuse of Sanforise Cooling water for Texfab print washer - Increased recovery % of Weak lye from Mercerising machines.
- Installed Timer for Highbay Lighting fixtures in Processing dept.
- Increase the utilisation of Cogeneration plant power Optimise the Maximum demand of the DGVCL in Plant-1.
- Inter Unit shifting of some weaving looms to maximize the utilization of Humidification Power.

(B) The steps taken by the Company for utilizing alternate sources of energy:

As a part of utilising alternate source of energy, at Nadiad we have taken notable Initiatives of purchasing Power through Solar and Wind plant, a renewable and environmental friendly source. We have signed 3 year Agreement with KPI Global Infrastructure Limited for purchase of 2.585 KW Solar power. In FY 2018-19, 4096589 Units were purchased through Solar Energy.

We have also signed Agreement with Trinethra Wind and hydro Power Pvt Ltd for purchase of 2.585 KW wind power to be functional during 2019-20.

(C) The Capital Investment on energy conservation equipment:

- CAPEX of 15 Lacs for Shifting of Weaving Looms to maximise the utilisation of Humidification Power.
- 2 Lacs for CT/PT installation to optimise the Maximum demand of DGVCL in Plant-1.
- Upgradation of Old Caustic Recovery Plant
- Upgradation of Old Singeing m/c
- Upgradation of Old Benninger CBR M/c.
- Agreement has been signed for purchase of WIND power from Trinethra.

(2) TECHNOLOGY ABSORPTION:
Efforts in brief made towards technology absorption:

1. Due to ever increasing demand for Digital Print, New Konica Minolta machine was installed & Under Production.
2. Scalovos Soft Flow machine was installed for Pretreatment & Dyeing of Viscose, Modal & Cotton fabric.
3. After Control Trials, Water consumption in Print soapers were reduced, resulting in Energy Savings, & also Reducing Soaping chemical Consumption.
4. Caustic Soda being hazardous, In CRP (Caustic Recovery Plant) modification was done improving CRP % efficiency. This reduced Effluent load & Saving in fresh caustic consumption.
5. After Trials in Pretreatment (Bleaching), voile process route was changed resulting in Steam & water Saving.
6. For Sustainable Development, Effluent Treatment Plant (ETP) was upgraded fulfilling Environmental Guideline for Waste Water Discharge across the Textile Industry.
7. Installation of inverters at new ring frames & at autoconer 238 to reduce power consumption.
8. Reducing air leakages at autoconer winding by replacing "O"rings/tubes/valves & thereby saving 1500 units/day.
9. Indigo Knit Technology: There is very rare availability of Indigo Knit in market due to its complexity in production.
10. With new technology introduction, Indigo knit production on commercial scale is becoming easy.

Benefits derived as a result of the above efforts:

1. Energy saving.
2. Increase in production.
3. Increase in market share.
4. New customer development.
5. Innovative product offering, better contribution realization, Product Differentiation and Branding of Organization.

Information regarding technology imported during last 3 years:

(a) Technology Imported:	1) DIGITAL PRINTING MACHINE - KONICA MINOLTA NASSINGER 8 2) SOFT FLOW MACHINE - SCLAVOS ATHENA 3A
(b) Year of Import:	2018-19
(c) Has technology been Yes fully absorbed	Yes
(d) If not fully absorbed, not taken place, reasons therefore and future plans of action.	N.A.

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

EXPENDITURE ON R. & D.

Details	Current Year 2018-19 (₹ in Lakhs)	Previous Year 2017-18 (₹ in Lakhs)
(a) Capital Expenditure	-	-
(b) Recurring Expenditure	103.44	95.89
Total	103.44	95.89
(a) Total R. & D. Expenditure as a percentage of total turnover	0.09%	0.08%

(3) 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, US and other countries. The Company has been to some extent in increasing the export of processed fabrics to overseas markets.

(B) Total Foreign Exchange used and earned:

₹ In Lakhs

	Current Year 2018-19	Previous Year 2017-18
Total Foreign Exchange used	1629.37	1600.47
Total Foreign Exchange earned	10521.45	19005.64

(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:

- 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 for achieving growth and continuance of each Independent Director on the Board will be in the interest of the Company.
- Non-Independent Directors: The performance of each of the Non-Independent Directors was evaluated by the Independent Directors at their separate meeting held on 26th March, 2019 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 AS AMENDED:

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.

- Ratio of remuneration of each Director to the median remuneration of the employees of the company for the financial year 2018-19:

Sr. No.	Directors	Remuneration (₹ In Lakhs)	Median Remuneration (₹ In Lakhs)	Ratio *
1.	Shri H. A. Mafatlal, Executive Chairman	Nil	2.93	NA
2.	Shri A. K. Srivastava	7.00	2.93	2.38
3.	Shri V. R. Gupte	12.60	2.93	4.06
4.	Shri P. N. Kapadia	8.40	2.93	2.62
5.	Smt. Latika P. Pradhan	10.50	2.93	3.58
6.	Shri Gautam G. Chakravarti	11.20	2.93	3.58
7.	Shri Sujal A. Shah	8.40	2.93	2.86
8.	Shri Aniruddha P. Deshmukh Managing Director & CEO (upto: 31 st March, 2019)	227.47	2.93	77.63
9.	Shri P. H. Mafatlal, Executive Director	25.24	2.93	8.61

*The ratio is considered comparing median remuneration of all employees with the remuneration paid to Directors. Please note that Shri H. A. Mafatlal, Executive Chairman has voluntarily waived his remuneration for the year 2018-19. Shri Priyavrata H. Mafatlal (Executive Director) has also voluntarily opted for waiver of remuneration from September, 2018 to 31st March, 2019.

The Non-Executive Directors were only paid sitting fees for attending Meetings of the Board and Committees thereof for the year 2018-19.

- Percentage increase in remuneration of each Director, CEO, CFO and Company Secretary in the financial year 2018-19:
The remuneration increase given to MD & CEO was Nil%, CFO was Nil% and CS was 15%. There is no increase in remuneration of other executives or Non- Executive Directors
- Percentage increase in median remuneration of employees in the financial year: 5 % (6% in previous year)
- The number of permanent employees on the rolls of the company: 2377 (2939 last year)
- 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 5% (6% 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
- vii. Details of the employees employed for full year or part of the year having remuneration of ₹1.02 crores 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)
Shri Deshmukh Aniruddha, MD & CEO (up to 31.03.2019), 227.47 Lakhs, contractual, Mechanical Engineer from VNIT, Nagpur, Post-Graduation in Business Administration from IIM, Calcutta, 35 years of diverse experience, 13.08.2015, 60 years, Raymonds Ltd., Nil, No. (b) Shri Maheshwari V. K., President & Business Head (Textiles), 134.50 Lakhs, Bachelor of Textiles (Hons), 33 years, 01.06.2014, 55 years, Morarjee Textiles Ltd., Nil, No. (c) Shri Raghunath M. B., President & Business Head (MSD), 128.18 Lakhs, contractual, Degree in Physics, MBA- Mktg from NMMIS-Mumbai, 33 years of experience, 01 .04.1995, 54 years, Berger Paints, Nil, No. (d) Shri Shah Milan, CFO, 178.87 Lakhs, contractual, B.Com, [CA, CS, 34 years of experience, 60 years, Arvind Limited, Nil, No.
- viii. Details of the employees employed for the part of the year and having salary of not less than 8.5 Lakhs per month:
(Note: Remuneration includes salary, allowances, perquisites, contribution to PF, Superannuation fund, leave encashment and retirement 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 Shah Suketu, 83.73 Lakhs, contractual, B.Sc. D.T.O. from M.S University, 32 years of experience, 57 years, Arvee Denim Limited, 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.
- x. It is affirmed that the remuneration paid is as per the provisions of the Remuneration Policy of the Company.

(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 105th 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 resignations of the option grantees, 66,000 options have lapsed as at 31st March, 2019. There has been no grants made during the year 2018-19.

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 options was approved with progressive vesting of 15%, 20%,30% & 35% on every anniversary of the vesting.

- (d) Exercise price or pricing formula: 322.70/- per option
- (e) Maximum term of options granted: 5 years (1 year vesting & 4 years 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) Option movement during the year 2018-19 (For Each ESOS):

Particulars	Details
Number of options outstanding at the beginning of the period	1,28,000
Number of options granted during the year	NIL
Number of options lapsed/forfeited during the year (due to resignations)	56,000
Number of options exercisable during the year	10,800
Number of options vested during the year	10,800
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	N.A.
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	72,000
Number of options exercisable at the end of the year	NIL

Out of total grant made in 2017 i.e. 1,38,000 options granted, as at 31st March, 2019 72,000 optioned remained valid and outstanding.

- (iv) 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.

- (v) Employee wise details of options granted during 2018-19: NIL
However, the following grants made earlier continues:

- (a) Senior management (name & number of options granted)
Shri Aniruddha P. Deshmukh 18000, Shri Milan Shah 14000, Shri Suketu Shah 14000 (since lapsed), Shri Vijay Maheshwari 14000, Shri M. B. Raghunath 14000, Shri Suresh Kumar 14000 (since lapsed), Smt. Shereen Gupta 10000 (since lapsed), Shri Ashok Ramdham 10000, Shri Anil Gupta 10000 (since 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

- (vi) 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 using the Black- Scholes Options Pricing Model

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

1. Fair Value Computation

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

	Vest 1 10-Nov-2018	Vest 2 10-Nov-2019	Vest 3 10-Nov-2020	Vest 3 10-Nov-2021
Variables	15%	20%	30%	35%
Stock Price	314.10	314.10	314.10	314.10
Volatility	48.32%	49.23%	52.50%	51.99%
Risk free 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	140.20			

2. Fair Value of Options Granted

There was no options granted during the year 2018-19.

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
Average Dividend Yield	1%	1%	2%	3%

No dividend was declared in the year 2017-18 and no dividend is proposed for the year 2018-19.

(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 2018-19:

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 Hrishikesh A. Mafatlal (Chairman), Shri Sujal A. Shah and Shri Atul K. Srivastava (other Members), where in Shri Sujal A. Shah is an Independent Director. The composition of the Committee conforms to the statutory requirement.

C. Calculation of CSR Obligation for 2018-19 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)
2017-18	(4308.03)
2016-17	(2005.19)
2015-16	1555.21
A. Total Net Profit for three years (A)	(4758.01)
B. Average Net Profit (A/3)	NA - due to losses
C. 2% of average Net Profits (to be NIL/NA spent on CSR) in 2018-19	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).

I. Manner in which the amount spent during the financial year 2018-19: N.A.

Since there was NIL CSR Obligation, no expenses were incurred on CSR activities during the year 2018-19.

II. The Company has Nil CSR obligation for the year 2018-19

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 as the Policy of the Company.

H.A. Mafatlal

Chairman of CSR Committee
(DIN 00009872)

Priyavrata H. Mafatlal

CEO & Executive Director
(DIN 02433237)

Place: Mumbai

Date: 16th May, 2019

Regd. Office:

Mafatlal Industries Limited
(CIN L1711OGJ1913PLC000035)
301-302, Heritage Horizon, 3rd Floor, Off: C G Road,
Navrangpura, Ahmedabad 380009.
Tel: 079 - 2644440406 Fax: 079 26444403,
Email: ahmedabad@mafatlals.com Website: www.mafatlals.com

Annexure IV to Directors Report**Secretarial Audit Report for the Financial Year ended on 31st March, 2019**

[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, 2019 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, 2019 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 (upto 10th November, 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 11th November, 2018); **(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 (upto 10th September 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (with effect from 11th September 2018); **(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:

Couple of forms required to be filed under the provisions of the Companies Act, 2013 have been filed along with the additional filing fees.

The Company has intimated under Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for the half year ended as on 31st March, 2018 with Stock Exchange with delay of five Days.

The Company has intimated requisite Audit reports under regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 for the quarter ended as on 31st March, 2018 & XBRL version was uploaded on BSE website within statutory time limits . However, PDF version to Stock Exchange was intimated with delay of Ten Days.

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, 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 during the Audit period the Company has no specific events/actions having a major bearing on the Companies Affairs in pursuant of the above referred Laws, Rules, Regulations, Guidelines, Standards etc.

Place: Ahmedabad

Date : 16th May, 2019

Umesh Ved
Umesh Ved & Associates
Company Secretaries
FCS No.: 4411
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
FCS No.: 4411
C.P. No.: 2924

Place: Ahmedabad

Date : 16th May, 2019

Certificate of Non-Disqualification of Directors

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Mafatlal Industries Limited** having CIN: L17110GJ1913PLC000035 and having registered office at 301-302, Heritage Horizon, Third Floor, Off C.G. Road, Navrangpura, Ahmedabad-380009 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Gautam Gangaprasad Chakravarti	00004399	30/05/2015
2	Hrishikesh Arvind Mafatlal	00009872	03/05/1979
3	Vilas Raghunath Gupte	00011330	30/05/2013
4	Atul Kumar Srivastava	00046776	10/10/2012
5	Sujal Shah Anil	00058019	30/05/2015
6	Pradip Narotam Kapadia	00078673	30/05/2013
7	Priyavrata Hrishikesh Mafatlal	02433237	01/11/2016
8	Latika Prakash Pradhan	07118801	17/04/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

Place: Ahmedabad
Date : 16th May, 2019

Umesh Ved
Umesh Ved & Associates
Company Secretaries
FCS No.: 4411
C.P. No.: 2924

Auditors Certificate regarding Compliance of Conditions of the Corporate Governance

To the Member of Mafatlal Industries Limited

We have examined the compliance of conditions of Corporate Governance by Mafatlal Industries Limited for the Year ended March 31st, 2019 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

Place: Mumbai
Date: 16th May, 2019

Priyanshu Gundana
Partner
Membership No: 109553

INDEPENDENT AUDITOR'S REPORT

To the Members of Mafatlal Industries Limited

Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Mafatlal Industries Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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, 2019, and loss (Comprising of loss and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 34(c) regarding the net loss of ₹ 9,645.24 Lakhs before exceptional items reported for the year ended March 31, 2019. The Company has undertaken certain steps for scaling down one of its manufacturing operations for which the Company has recognised expenses aggregating ₹ 8,361.80 Lakhs, determined to be in the nature of exceptional items, in anticipation of improving the financial position of the Company. Our opinion is not modified in respect of this matter.

Key audit matter

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Appropriateness of impairment assessment of Property, Plant and Equipment (other than considered as Held for Sale)</p> <p>(Refer to Note 3 in the standalone financial statements)</p> <p>The carrying value of the Property, Plant and Equipment is ₹ 13,210.21 Lakhs as at March 31, 2019 which is significant to the balance sheet. The Company has incurred losses before taxes and exceptional items for the financial year 2018-19 which has been considered as trigger for impairment of Property, Plant and Equipment (other than considered as Held for Sale) by the Company.</p> <p>For the purposes of impairment testing, the carrying value of the assets was compared to the recoverable amount (i.e. higher of value in use and fair value less costs to sell). While calculating the value in use, judgement was involved in estimations of the cash flow determining the appropriate discount rate and the terminal growth rate. The Management engaged a valuation expert to determine the fair value of Property, Plant and Equipment.</p> <p>The Management has concluded that no impairment was required as of March 31, 2019.</p>	<p>We have performed audit procedures including the following:</p> <p>Assessed whether the Company's identification of CGUs, which are the smallest identifiable groups of assets that can generate largely independent cash inflows, was consistent with our knowledge of the Company's operations.</p> <p>Understood and evaluated the design of management processes and controls for preparation of impairment assessment working and tested the operating effectiveness of the Company's internal controls surrounding the assessment.</p> <p>We have reviewed the cash flow forecasts of the previous years with the actual results to assess the accuracy of historical forecasts.</p> <p>Engaged with auditors' valuation experts to determine a range of acceptable discount rates and terminal growth rates, with reference to valuations of similar companies and other relevant external data.</p> <p>Performed sensitivity analysis over the future cash flows to assess the potential impact of changes in discount rate and terminal growth rate.</p> <p>Performed test of details to assess the completeness and accuracy of the management's fair valuation report. We also examined the management's comparison of the value in use and fair value to determine recoverable amount.</p> <p>As a result of the above procedures, the Management's assessment of carrying value of Property, Plant and Equipment (other than considered as Held for Sale) was considered to be appropriate.</p>

Key audit matter	How our audit addressed the key audit matter
Assessment of recoverability of deferred tax assets (Refer Note – 35(d)) <p>The Carrying value of Deferred Tax Assets is ₹ 1,227.96 Lakhs as at March 31, 2019. Deferred tax assets are recognised on temporary differences and unabsorbed depreciation as it is considered to be recoverable based on the Company's projected taxable profits in the forecast period.</p> <p>We considered this a key audit matter because significant judgement is required by the Company in determining the recoverability of deferred tax assets arising from Unabsorbed Depreciation as the realisation of tax benefits is dependent on future taxable profits and there are inherent uncertainties involved in forecasting such profits within the recoupment period.</p>	<p>Our audit procedures included the following:</p> <p>Evaluation of the design and testing operating effectiveness of Company's controls relating to the assessment of carrying amount of deferred tax assets, the preparation of the forecast and its related inputs/ assumptions.</p> <p>Obtained Management's approved forecast of taxable profit of next five years and understanding of process followed /assumptions used in such preparation.</p> <p>Assessing the appropriateness of tax rate applied to the taxable profit forecasts;</p> <p>Considering whether the tax losses, on which deferred tax asset is recognised, have been assessed by the tax authorities and are available for utilisation.</p> <p>Based on the above procedures, the Management's assessment of recoverability of deferred tax assets was considered to be reasonable.</p>

Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis report and Secretarial Audit report (but does not include the standalone financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Corporate Information, summarised financial information and Director's report, which is expected to be made available to us after that date. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
7. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.
8. When we read the Corporate Information, summarised financial information and Directors' report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the financial statements

9. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

16. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure B statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. 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 statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 statement 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 42, 48 and 49 to the financial statements.
 - ii. The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Company did not have any long term derivative contracts as at March 31, 2019.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

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

Priyanshu Gundana
Partner
Membership Number: 109553

Mumbai
May 16, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 17 (f) of the Independent Auditors' Report of even date to the members of Mafatlal Industries Limited on the standalone financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Mafatlal Industries Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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
May 16, 2019

Annexure B to Independent Auditors' Report

Referred to in paragraph 16 of the Independent Auditors' Report of even date to the members of Mafatlal Industries Limited on the standalone financial statements as of and for the year ended March 31, 2019

- i. (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, 4 and 17 on Property, Plant and Equipment, Investment Property and Assets held for sale respectively, to the standalone financial statements, are held in the name of the Company, except for a leasehold land of gross and net book value of ₹ 0.08 Lakhs, where the Company is in process of getting expired lease renewed.
- ii. 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.
- iii. 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), 3(iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. 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.
- v. 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.
- vi. 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.
- vii. (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, the Company is generally regular in depositing income tax and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also, Refer Note 48 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund. The extent of the arrears of statutory dues outstanding as at March 31, 2019, 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 (₹ in Lakhs)	Period to which the amount relates	Due date	Date of Payment
Employee's 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 duty and value added tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount unpaid (₹ 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	2003-2004	High Court
Central Excise Act, 1944	Central Excise	196.72	1989-1990 to 2003-2004	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	1997-1999, 2007-2008 to 2009-2010	Appellate Tribunal

Name of the statute	Nature of dues	Amount unpaid (₹ In Lakhs) #	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Central Excise	1.41	2006-2011	Assistant Commissioner of Central Excise
Customs Act, 1944	Customs Duty	4.79	1989-1990 to 1999-2000	Joint Director General of Foreign Trade
Maharashtra Value Added Tax	Sales Tax	23.22	1989-1990 to 1999-2000	Joint Commissioner of Sales Tax (Appeals) – II
Central Sales Tax Act, 1956	Sales Tax	0.92	1989-1990 to 1999-2000	Joint Commissioner of Sales Tax (Appeals) – II
Finance Act, 1994	Service Tax	0.70	1997-1999	Appellate Tribunal
Income Tax Act, 1961	Income Tax	278.02	Assessment Year 2004-2005	Income tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1,666.29	Assessment Years 1997- 1998, 1998-99 and 2012- 2013	Commissioner of Income Tax

Net of amount paid under protest.

- viii. 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.
- ix. 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.
- x. 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.
- xi. 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.
- xii. 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.
- xiii. 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 financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. 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.
- xv. 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.
- xvi. 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
May 16, 2019

Standalone Balance Sheet as at March 31, 2019
(All amounts in ₹ Lakhs, unless otherwise stated)

	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	13,210.21	29,096.01
Capital work-in-progress	3	-	657.64
Investment properties	4	287.22	258.59
Intangible assets	5	362.15	440.84
Intangible assets under development	5	61.98	-
Investment in a subsidiary	6(a)	27.50	27.50
Financial assets			
i. Investments	6(b)	37,381.15	50,160.68
ii. Loans	7	115.43	722.40
iii. Other financial assets	8	1,142.82	1,835.93
Deferred tax assets (Net)	35(d)	1,227.96	1,227.96
Other non-current assets	9	498.22	482.04
Income tax asset (Net)	35(g)	1,831.26	1,770.86
Total non-current assets		56,145.90	86,680.45
Current assets			
Inventories	10	10,496.54	16,267.05
Financial assets			
i. Trade receivables	11	19,560.29	28,617.73
ii. Cash and cash equivalents	12	1,019.73	1,913.47
iii. Bank balances other than (ii) above	13	900.02	1,644.65
iv. Loans	14	4.16	8.25
v. Other financial assets	15	324.54	328.01
Other current assets	16	4,266.67	3,685.22
Assets held for sale	17	7,853.27	-
Total current assets		44,425.22	52,464.38
TOTAL ASSETS		100,571.12	139,144.83
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18(a)	1,391.22	1,391.22
Other equity			
i. Reserves and surplus	18(b)	15,894.46	34,020.81
ii. Other reserves		33,413.30	44,428.43
Total equity		50,698.98	79,840.46
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	19	5,633.74	8,033.53
ii. Other financial liabilities	20	591.00	522.37
Other non-current liabilities	21	544.16	2,655.91
Total non-current liabilities		6,768.90	11,211.81
Current liabilities			
Financial liabilities			
i. Borrowings	22	12,387.67	12,945.84
ii. Trade payables	23	-	-
- total outstanding dues of micro enterprises and small enterprises; and		8.79	273.80
- total outstanding dues of creditors other than micro enterprises and small enterprises		21,476.12	26,701.07
iii. Other financial liabilities	24	3,427.57	3,206.40
Provisions	25	925.59	887.85
Other current liabilities	26	3,559.28	3,792.04
Current tax liabilities (Net)	35(h)	290.16	285.56
Liabilities directly associated with assets held for sale		1,028.06	-
Total current liabilities		43,103.24	48,092.56
Total liabilities		49,872.14	59,304.37
TOTAL EQUITY AND LIABILITIES		100,571.12	139,144.83

The accompanying notes are an integral part of the 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 16, 2019

For and on behalf of the Board of Directors
H. A. Mafatlal
Chairman
(DIN:00009872)

Milan Shah
Chief Financial Officer

Mumbai, May 16, 2019

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

Ashish Karanji
Company Secretary

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)

Standalone Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	27	102,368.06	116,760.04
Other income	28 (a)	2,792.35	2,619.73
Other gains/(losses) (Net)	28 (b)	297.48	669.86
Total income		105,457.89	120,049.63
Expenses			
Cost of materials consumed	29	32,626.10	39,172.50
Purchases of stock-in-trade		37,470.42	38,290.98
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	3,823.14	1,081.54
Employee benefits expense	31	12,040.77	13,457.62
Finance costs (Net)	32	3,018.86	3,108.54
Depreciation and amortisation expense	33	3,595.66	3,610.59
Other expenses	34	22,528.18	25,522.68
Total expenses		115,103.13	124,244.45
Loss before exceptional items and tax		(9,645.24)	(4,194.82)
Exceptional items	34(c)	(8,361.80)	-
Loss before tax		(18,007.04)	(4,194.82)
Income tax expense			
- Current tax	35(a)	-	-
- Deferred tax charge / (credit)	35(a)	-	(17.00)
Total tax credit		-	(17.00)
Loss for the year		(18,007.04)	(4,177.82)
Other Comprehensive Income			
<i>Items that will not be reclassified to profit or loss</i>			
- Changes in fair value of FVOCI equity instruments	18(b)	(11,015.13)	25,351.54
- Remeasurements of post-employment benefit obligations (charge) / credit	40	(150.25)	49.54
Tax on above		-	(17.00)
Total Other Comprehensive Income for the year		(11,165.38)	25,384.08
Total comprehensive income for the year		(29,172.42)	21,206.26
Loss per equity share of ₹ 10/- each	45		
Basic		(129.43)	(30.03)
Diluted		(129.43)	(30.03)

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

In terms of our report attached

For and on behalf of the Board of Directors

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

H. A. Mafatlal
Chairman
(DIN:00009872)

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

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)

Priyanshu Gundana
Partner
Membership No. 109553
Mumbai, May 16, 2019

Milan Shah
Chief Financial Officer

Ashish Karanji
Company Secretary

Mumbai, May 16, 2019

Standalone Cashflow Statement for the year ended March 31, 2019
(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash flow from operating activities		
Net (Loss) after exceptional items and before tax as per the Statement of Profit and Loss	(18,007.04)	(4,194.82)
Adjustments for:		
ESOP expense	30.94	17.93
Depreciation / amortisation on property, plant and equipment, investment property, intangible asset	3,595.66	3,610.59
Impairment losses	7,302.40	-
Finance costs	3,018.86	3,108.54
Gain on sale of Property, Plant and Equipment	(157.03)	(715.56)
Interest income	(173.72)	(168.66)
Interest on income tax refund	(32.69)	(21.56)
Apportionment of government grant	(487.60)	(511.06)
Dividend income	(655.82)	(491.22)
Rental income on investment Properties	(519.60)	(483.26)
Utility / business service / air-conditioning charges and other receipts in respect of investment property	(837.64)	(829.83)
Bad trade and other receivables/ Loans and advances written off (net)	2.35	176.41
Provision for doubtful debts/ advances	224.11	38.02
Net unrealised exchange loss /(gain)	91.95	71.82
Gain on sale of Investments (Net)	-	189.48
Operating profit before working capital changes	(6,604.87)	(203.18)
<i>Changes in working capital</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	5,770.51	941.50
Trade receivables	8,741.38	122.11
Current Loans and advances	4.09	4.82
Non current loans and advances	155.56	358.14
Other Current Financial Assets	1.12	(176.95)
Other Non Current Financial Assets	35.99	73.33
Other Bank Balances	744.63	(1,188.04)
Other Non Current Assets	(18.14)	18.57
Other Current Assets	(581.46)	213.56
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Other Non Current Financial Liabilities	68.63	166.28
Other Non Current Liabilities	(1,526.46)	4.26
Trade and other payables	(5,489.97)	1,718.97
Other Current Financial Liabilities (excluding current maturities of non current borrowings)	56.22	(4.59)
Current Provisions	(1,331.96)	97.47
Other Current Liabilities	795.30	(867.25)
Changes in Working Capital	7,425.44	1,482.18
Cash generated from Operations	820.57	1,279.00
Net income tax (paid) / refunds	(23.11)	(30.41)
Net Cash inflow from operating activities	797.46	1,248.59

Standalone Cashflow Statement for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
B. Cash flow from investing activities		
Purchase of Property, Plant and Equipment including capital advances	(1,085.03)	(1,252.70)
Proceeds from disposal of Property, Plant and Equipment	510.61	733.64
Purchase of Intangible Assets including intangible under development	(67.12)	(72.45)
Sales Proceeds of investments	1,764.45	3,414.12
Deposits Matured / (Placed) with banks	657.12	81.49
Interest received	173.72	168.66
Dividend income	655.82	491.22
Rental Income on Investment Properties	519.60	483.26
Utility / business service / air-conditioning charges and other receipts in respect of investment property	837.64	829.83
Net cash inflow / (outflow) from investing activities	3,966.81	4,877.07
C. Cash flow from financing activities		
Non current Borrowings taken	275.96	718.23
Interest Paid	(2,995.41)	(3,177.55)
Non current borrowings repaid	(2,380.39)	(3,596.52)
Current borrowings taken / (repaid)	(558.17)	1,200.41
Dividend Paid including Dividend distribution tax	-	(335.04)
Net cash inflow (outflow) from financing activities	(5,658.01)	(5,190.47)
Net Increase / (Decrease) in cash and cash equivalents	(893.74)	935.19
Cash and cash equivalents at the beginning of the year	1,913.47	978.28
Cash and cash equivalents at the end of the year	1,019.73	1,913.47

Notes:-

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.

The accompanying notes are an integral part of the 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 16, 2019

For and on behalf of the Board of Directors

H. A. Mafatlal
Chairman
(DIN:00009872)

Milan Shah
Chief Financial Officer

Mumbai, May 16, 2019

P. H. Mafatlal
CEO & Executive Director
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G. G. Chakravarti (DIN:00004399)
S. A. Shah (DIN:00058019)
L. P. Pradhan (DIN:07118801)

Standalone Statement of Changes in Equity as at March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Balance at the beginning of the reporting year	Changes in Equity Share Capital during the year	Balance at the end of the reporting year
As at March 31, 2018	1,391.22	-	1,391.22
As at March 31, 2019	1,391.22	-	1,391.22

B. Other equity

Particulars	Attributable to owners of Mafatlal Industries Limited												Total
	Reserves and Surplus											Other Reserves	
	Securities premium	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		
As at April 1, 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
Loss for the year	-	(4,177.82)	-	-	-	-	-	-	-	-	-	-	(4,177.82)
Charge for the year	-	-	-	-	-	-	-	-	-	17.93	-	-	17.93
Other comprehensive income	-	32.54	-	-	-	-	-	-	-	-	-	-	32.54
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
Loss for the year	-	(18,007.04)	-	-	-	-	-	-	-	-	-	-	(18,007.04)
Charge for the year	-	-	-	-	-	-	-	-	-	30.94	-	-	30.94
Other comprehensive income	-	(150.25)	-	-	-	-	-	-	-	-	-	(11,015.13)	(11,165.38)
As at March 31, 2019	17,452.07	(14,438.00)	61.16	35.00	3,634.48	620.00	8,383.14	75.96	1.78	48.87	20.00	33,413.30	49,307.76

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

In terms of our report attached

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

For and on behalf of the Board of Directors

Priyanshu Gundana Partner Membership No. 109553 Mumbai, May 16, 2019	H. A. Mafatlal Chairman (DIN:00009872)	P. H. Mafatlal CEO & Executive Director (DIN:02433237)	Ashish Karanji Company Secretary	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)

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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) Second Amendments Rules, 2018] (the Rules) and other relevant provisions of the Act.

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. New amended standards adopted by the Company

Ind AS 115 - Revenue from Contracts with Customers

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, effective April 1, 2018, on a modified retrospective basis, applying the standard to all contracts that are not completed as such date. The adoption of Ind AS 115 did not have any significant financial impact and accordingly, no adjustments are made to the amounts recognised in the financial statements. The adoption has resulted in changes to accounting policies and mandated certain disclosures. Refer Note no (b) below for accounting policies and note no.51(ii) for related disclosures.

iv. Application of new and revised Ind AS's

(a) Ind AS 116 – Leases

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards) Amendment Rules, 2019. Ind AS 116

replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019.

Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of the right-of-use asset and a lease liability to pay rentals for virtually all lease contracts. An optional exemption exists for short term and low-value leases.

Where a contract meets Ind AS 116's definition of a lease, lease agreements will give rise to the recognition of a non-current asset representing the right to use the leased item, and a lease liability for future lease payables.

In the Statement of Profit and Loss, lessees will have to present interest expense on the lease liability and depreciation on the right-of-use asset. In the cash flow statement, cash payments for the principal portion of the lease liability and its related interest are classified within financing activities. Payments for short-term leases, leases of low-value assets and variable lease payments not included in the measurement of the lease liability are presented within operating activities.

The Company is in the process of evaluating the impact of adoption of Ind AS 116 on its financial statements and will accordingly consider the same from period beginning April 1, 2019.

(b) Other amendments

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified certain other amendments to Indian Accounting Standards (Ind AS), as below, as part of the Companies (Indian Accounting Standards) Second Amendment Rules, 2019. These other amendments come into force on April 1, 2019.

(i) Appendix C, 'Uncertainty over Income Tax Treatments', to Ind AS 12, 'Income Taxes'

- The appendix explains how to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

(ii) Plan Amendment, Curtailment or Settlement – Amendments to Ind AS 19, 'Employee Benefits' - The amendments to

Ind AS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. The Company must:

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change;
 - any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling; and
 - separately recognise any changes in the asset ceiling through other comprehensive income.
- (iii) Ind AS 12, 'Income Taxes' - The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.
- (iv) Ind AS 23, 'Borrowing Costs' - The amendments clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The effective date for adoption of amendments as per Companies (Indian Accounting Standards) Second Amendment Rules, 2019 is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and is in the process of evaluating the impact on account of above amendment on its financial statements and will accordingly consider the same from period beginning April 1, 2019.

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, 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 control in the goods is transferred in favour of the customers and 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 the control 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 in the 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. Leases

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. Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance

sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

q. Investments and other financial assets

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.

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 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.

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 Company or the counter party.

t. **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 counter party 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.

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 Company 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 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.

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 Company for certain employees, 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 Company makes contribution for certain employees whereas for some other employees the Company makes 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 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 recognised 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, Family Pension Fund, Superannuation Fund and Provident Fund for certain employees, 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.

y. 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.

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 Company are segregated based on the available information.

z1. 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.

z2. Exceptional Items

The term 'Exceptional items' is neither defined in Ind AS Schedule III nor in Ind AS. However, Ind AS 1 has reference to such items in paras 85, 86, 97 and 98.

Para 85 states that additional line items, headings and subtotals in the statement of profit and loss shall be presented, when such presentation is relevant to an understanding of the entity's financial performance.

Further, para 86 states that disclosing the components of financial performance assists users in understanding the financial performance achieved and in making projections of future financial performance. An entity considers factors including materiality and the nature and function of the items of income and expense.

Para 97 states that when items of income or expense are material, an entity shall disclose their nature and amount separately.

Para 98 gives circumstances that would give rise to the separate disclosure of items of income and expense and includes:

- (a) Write-downs of inventories to net realisable value or of property, plant and equipment to recoverable amount, as well as reversals of such write-downs;
- (b) restructurings of the activities of an entity and reversals of any provisions for the costs of restructuring;
- (c) disposals of items of property, plant and equipment;
- (d) disposals of investments;
- (e) discontinued operations;
- (f) litigation settlements; and
- (g) other reversals of provisions.

Accordingly the Company has disclosed loss arising out of impairment of inventory, trade receivables and property, plant and equipment as loss arising out of exceptional items [Refer Note No. 34('c)].

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, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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, 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

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Leasehold improvements	Railway sidings	Total
Year ended March 31, 2019									
Gross carrying amount	46.33	3,018.11	31,110.91	617.10	323.09	526.48	149.00	0.13	35,791.15
Additions	-	421.29	1,143.44	114.72	20.08	23.58	-	-	1,723.11
Disposals	-	-	(213.72)	(148.96)	(64.01)	(7.11)	-	-	(433.80)
Transfer to assets held for sale [Refer Note (vi) below]	(3.18)	-	(19,799.32)	(264.21)	-	(61.63)	-	-	(20,128.34)
Transfers to Investment Properties (Refer Note 4)	(32.51)	-	-	-	-	-	-	-	(32.51)
Closing gross carrying amount	10.64	3,439.40	12,241.31	318.65	279.16	481.32	149.00	0.13	16,919.61
Accumulated depreciation									
Opening accumulated depreciation	-	211.56	6,051.41	115.67	87.48	168.50	60.52	-	6,695.14
Depreciation charge during the year	-	113.08	3,142.96	62.30	47.64	111.71	30.26	-	3,507.95
Disposals	-	-	(42.51)	(8.10)	(24.52)	(5.09)	-	-	(80.22)
Transfer to assets held for sale [Refer Note (vi) below]	-	-	(6,290.06)	(77.52)	-	(45.89)	-	-	(6,413.47)
Closing accumulated depreciation	-	324.64	2,861.80	92.35	110.60	229.23	90.78	-	3,709.40
Net carrying amount	10.64	3,114.76	9,379.51	226.30	168.56	252.09	58.22	0.13	13,210.21
Capital Work in Progress									-
Total									13,210.21

Notes:

- Capital work-in-progress NIL (March 31, 2018- ₹ 657.64 Lakhs) includes other expenses of NIL (March 31, 2018 - ₹5.65 Lakhs) incurred towards capital projects.
- Refer to Note 47 for information on property, plant and equipment pledged as security by the Company.
- Refer to note 43 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Building includes ₹12.86 Lakhs (As at March 31, 2018: ₹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.
- Refer Note 21, Note 26 and Note 46 for government grant related to property, plant and equipment.
- Net Block of ₹ 13,711.69 Lakhs (As at March 31, 2018-NIL) is transferred to assets held for sale [Refer Note 17 and 34(c)].

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019
(All amounts in ₹ Lakhs, unless otherwise stated)
Note 4 - Investment Properties

Particulars	As at March 31, 2019	As at March 31, 2018
Gross carrying amount		
Gross carrying amount	266.35	266.35
Transfer from Property, plant and equipment (Refer Note 3)	32.51	-
Closing gross carrying amount	298.86	266.35
Accumulated depreciation		
Opening accumulated depreciation	7.76	3.88
Depreciation charge during the year	3.88	3.88
Closing accumulated depreciation	11.64	7.76
Net carrying amount	287.22	258.59

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

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

Particulars	As at March 31, 2019	As at March 31, 2018
Income from investment property [Refer Note 28 (a)]	1,357.24	1,313.09
Direct operating expenses towards income from investment property that generated income	(909.90)	(951.36)
Profit from investment properties before depreciation	447.34	361.73
Depreciation	(3.88)	(3.88)
Profit from investment properties	443.46	357.85

(iii) 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. With respect to non-cancellable operating lease, the future minimum lease payment as at Balance Sheet date is as under (Refer Note 43):

Particulars	As at March 31, 2019	As at March 31, 2018
Within one year	103.51	181.44
Later than one year but not later than five years	45.11	14.48
Total	148.62	195.92

(b) Finance leases

Investment property includes a land portion taken on lease by the Company for a period ranging from 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.

(iv) Fair value of investment properties

Particulars	As at March 31, 2019	As at March 31, 2018
Investment properties	12,831.73	12,795.40

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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.

- (v) The Company is in the process of getting expired leases renewed, in respect of Mazgaon and Lower Parel Land.

Note 5 - Intangible assets

Particulars	As at March 31, 2019	As at March 31, 2018
Gross carrying amount		
Gross carrying amount	554.75	97.35
Additions	5.14	457.40
Closing gross carrying amount	559.89	554.75
Accumulated amortisation		
Opening accumulated amortisation	113.91	35.28
Amortisation during the year	83.83	78.63
Closing accumulated amortisation	197.74	113.91
Net carrying amount*	362.15	440.84

* The computer software are other than internally generated.

(i) Intangible Assets under development

Intangible assets under development includes ₹ 61.98 Lakhs as at March 31, 2019 (March 31, 2018- NIL), towards development of accounting software.

Note 6 - Non-current investments

Particulars	As at March 31, 2019	As at March 31, 2018
(A) Investment in equity instruments (fully paid)		
(a) Subsidiary - Measured at cost		
<i>Unquoted</i>		
272,800 (March 31, 2018 : 272,800) Equity shares of ₹100/- each of Mafatlal Services Limited	27.50	27.50
Total (I)	27.50	27.50
(b) Other Companies measured at FVOCI		
<i>Quoted</i>		
79,920 (March 31, 2018 : 79,920) Equity shares of ₹ 10/- each of Stanrose Mafatlal Investments and Finance Limited	77.36	119.88
****83,700 (March 31, 2018 : 837,000) Equity shares of ₹10/- each (March 31, 2018- ₹1/- each) of Mangal Credit & Fincorp Limited	44.28	31.31
9,600 (March 31, 2018 : 9,600) Equity shares of ₹2/- each of Ultramarine and Pigments Limited	25.22	26.40
25,259,059 (March 31, 2018 : 26,007,919) Equity shares of ₹10/- each of NOCIL Limited \$	37,168.70	49,766.15
20 (March 31, 2018 : 20) Equity shares of ₹1/- each of Integra Engineering India Ltd	0.01	0.01
100 (March 31, 2018 : 100) Equity shares of ₹10/- each of Bank of India.	0.16	0.10
<i>Unquoted</i>		
45,000 (March 31, 2018 : 45,000) Equity shares of ₹10/- each of Cama Hotels Limited	@	@
1,600 (March 31, 2018 : 1,600) Equity shares of ₹10/- each of Hybrid Financial Services Limited\$**	@	@
NIL (March 31, 2018 : 2) Equity shares of ₹100/- each of Suremi Trading Private Limited	-	18.34
NIL (March 31, 2018 : 2) Equity shares of ₹100/- each of Mafatlal Impex Private Limited\$**	-	19.97
NIL (March 31, 2018 : 10,000) Equity shares of ₹10/- each of Arvi Associates Private Limited \$	-	113.10

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019
(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
116 (March 31, 2018 : 116) Equity shares of ₹10/- each of Anil Bioplus Limited (formerly known as Anil Biochem Limited)	@	@
1,240,000 (March 31, 2018 : 1,240,000) Equity shares of ₹10/- each of Mafatlal Global Apparel Limited	@	@
13,350 (March 31, 2018 : 13,350) Equity shares of ₹10/- each of Matcon Export Enterprises Limited	@	@
2,320 (March 31, 2018: 2,320) Equity shares of ₹10/- each of Anil Limited (formerly known as Anil Products Limited)	@	@
100 (March 31, 2018 : 100) Equity shares of ₹10/- each of Arlabs Limited	@	@
15,000 (March 31, 2018 : 15,000) Equity shares of ₹10/- each of Cellulose Products of India Limited	@	@
10 (March 31, 2018: 10) Equity shares of ₹25/- each of Universal Dyestuff Industries Limited	@	@
5,870 (March 31, 2018 : 5,870) Equity shares of ₹100/- each of SLM Maneklal Industries Limited	@	@
30,000 (March 31, 2018 : 30,000) Equity shares of ₹10/- each of Mafatlal Medical Devices Limited	@	@
62,500 (March 31, 2018: 62,500) Equity shares of ₹100/- each of Janata Sahakari Bank Limited####	62.50	62.50
100 (March 31, 2018 : 100) Equity shares of ₹25/- each of Shamrao Vithal Co-Operative Bank Limited####	0.03	0.03
5 (March 31, 2018 : 5) Shares of ₹ 50/- each of Sea- Face Park Co-op Housing Society Limited	@	@
Unquoted@@		
26,16,670 (March 31, 2018 : 26,16,670) Equity shares of ₹10/- each of Ibiza Industries Limited***	@	@
39,76,002 (March 31, 2018 : 39,76,002) Equity shares of ₹10/- each of Sunanda Industries Limited*	@	@
146,364 (March 31, 2018 : 146,364) Equity shares of ₹100/- each of Mafatlal Engineering Industries Ltd###	@	@
147 (March 31, 2018 : 147) Equity shares of AED 1,000/- each of Al Fahim Mafatlal Textiles LLC	-	-
23,700 (March 31, 2018 : 23,700) Equity shares of ₹ 10/-each of Mafatlal Ltd, UK.##	@	@
(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
(C) Investment in debentures and bonds		
Unquoted - At amortised cost		
165,000 (March 31, 2018 : 165,000) 10% Secured Redeemable Convertible Debentures of Mafatlal Engineering Industries Ltd ##	@	@
2,050 (March 31, 2018 : 2,050) Corporate Bonds of Housing Development Finance Corporation Limited: 11 % - Series IV #	-	-
Total (II)	37,381.15	50,160.68
Total (I)+(II)	37,408.65	50,188.18
Total non-current investments		
Aggregate amount of quoted investments and market value thereof	37,315.73	49,943.85
Aggregate amount of unquoted investments	92.92	244.33
Total	37,408.65	50,188.18

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

\$\$ 90,21,062 (Previous year 71,36,667) 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.

****Shares of F.V. of ₹1 each has been Consolidated into shares of ₹ 10 each.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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 co-operative banks at face value, required as per the by-laws of these institutions in order to take borrowings from co-operative banks. The Investments are non transferable and will be bought back by co-operative 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.

@@ Under liquidation.

Note 7 - Non-current loans

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Unsecured, Considered good</i>		
Government Grants Receivable	114.88	566.29
Others	0.55	156.11
Total	115.43	722.40

Refer Note 38 for information about credit risk and market risk for loans.

Note 8 - Other non-current financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits	471.19	507.18
Deposits with banks (with maturity period of more than 12 months)		
(i) Deposits with Banks	63.32	52.10
(ii) Balances held as security/margin money *	225.32	140.94
(iii) Balances with Banks in earmarked accounts	382.99	1,135.71
Total	1,142.82	1,835.93

*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, 2019	As at March 31, 2018
<i>Unsecured, Considered good</i>		
Capital advances	9.22	11.18
Deposits with government authorities	398.61	398.61
Lease rent/utilities equalisation of income	90.39	72.25
<i>Unsecured, considered doubtful</i>		
Balances with government authorities	31.45	31.45
Less: Provision for doubtful advance	(31.45)	(31.45)
Total	498.22	482.04

Note 10 - Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	1,126.65	1,890.21
Work-in-progress	3,953.85	6,339.20
Finished goods	3,406.60	5,020.68
Stock-in-trade [Includes goods in transit ₹ 256.46 Lakhs (March 2018-NIL)]	1,383.07	2,128.47
Stores and spares	564.40	826.52
Others (Land) [Refer Note 49 (ii)]	61.97	61.97
Total	10,496.54	16,267.05

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019
(All amounts in ₹ Lakhs, unless otherwise stated)

Amounts recognised in the Statement of Profit and Loss.

Write-downs of inventories to net realisable value amounted to ₹ 2,195.74 Lakhs (March 31, 2018 – ₹ 277.46 Lakhs), out of which ₹ 1,768.90 Lakhs transferred to exceptional items (March 31, 2018 - Nil) which is disclosed in note number 34(c). Remaining amount 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.

Note 11 - Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	20,327.69	28,829.67
Receivables from related parties (Refer Note 41)	4.02	1.23
Less: Allowance for doubtful debts (Refer Note 38)	(382.80)	(213.17)
Less : Allowance for doubtful debts [Refer Note 34 (c)]	(388.62)	-
Total receivables	19,560.29	28,617.73
<i>Unsecured, considered good</i>	19,560.29	28,617.73
Doubtful	771.42	213.17
Less: Allowance for doubtful debts	(771.42)	(213.17)
Total Trade Receivables	19,560.29	28,617.73

Break up of security details

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	20,331.71	28,830.90
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Total	20,331.71	28,830.90
Loss allowance	(771.42)	(213.17)
Total trade receivables	19,560.29	28,617.73
<i>Note :- Trade receivables with Private companies in which atleast one of the directors is a director or member:</i>		
Arvi Associates Private Ltd	-	0.38
Gayatri Pesticem Manufacturing Private Limited	-	0.03
Total	-	0.41

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:

Particulars	As at March 31, 2019	As at March 31, 2018
Total transferred receivables	372.48	1,072.70
Associated secured borrowings (Refer Note 22)	(372.48)	(1,072.70)
Total	-	-

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

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 12 - Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	14.45	15.23
Cheques on hand	-	155.63
Balances with banks:		
(i) In Current accounts	955.28	1,291.96
(ii) In Deposit accounts (with less than 3 months original maturity)	50.00	450.65
Total	1,019.73	1,913.47

Note 13 - Other bank balances

Particulars	As at March 31, 2019	As at March 31, 2018
Deposits with original maturity of more than 3 months but less than 12 months		
In earmarked accounts		
(i) Balances held as margin money or security against borrowings, guarantees and other commitments	673.97	630.42
(ii) Unclaimed dividend accounts	35.29	28.56
Others		
(i) Balance in Fixed Deposits	163.30	983.80
(ii) Balances in Escrow Current accounts (Refer Note below)	27.46	1.87
Total	900.02	1,644.65

Note:

Balance in Escrow Current account of ₹ 1.87 Lakhs (March 31, 2018 ₹1.87 Lakhs) is operated under the supervision of Monitoring Committee constituted by the Government of Maharashtra, under Development Control Regulations, 1991 and remaining balance in Escrow Current account of ₹ 25.59 Lakhs (March 31, 2018- NIL) is with a financial institution.

Note 14 - Current loans

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Unsecured, considered good</i>		
Loans to employees	4.16	8.25
Total	4.16	8.25

Note 15 - Other current financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits	324.54	315.32
Others	-	12.69
Total	324.54	328.01

Note 16 - Other current assets

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Unsecured, considered good</i>		
Prepaid expenses	259.76	384.89
Balances with government authorities		
(i) Export and Modvat Benefit receivable	593.84	771.39
(ii) Goods and service tax receivables	2,339.56	1,513.45
(iii) Interest subsidy receivable (TUFS)	191.00	270.83
Advance to Suppliers	802.49	659.02
Others	80.02	85.64
Total	4,266.67	3,685.22

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019
(All amounts in ₹ Lakhs, unless otherwise stated)
Note 17 - Assets held for sale

Particulars	As at March 31, 2019	As at March 31, 2018
Assets classified as held for sale		
- Plant and Machinery (Refer Note below)	7,850.09	-
- Land	3.18	-
Total	7,853.27	-

Note: Also Refer the Note No. 19 for details of hypothecation / charges created on assets pertaining to Navsari location.

Note 18 - Share capital and other equity
18(a) - Equity share capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	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
Unclassified Shares of ₹10 each	85,754,919	8,575.49	85,754,919	8,575.49
	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
(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
Less: Allotment money/ Calls in arrears	-	(0.06)	-	(0.06)
Total	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)
Balance as at April 01, 2017	13,912,886	1,391.22
Issued during the year	-	-
Balance as at March 31, 2018	13,912,886	1,391.22
Issued during the year	-	-
Balance as at March 31, 2019	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 dividend 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.

(3) Details of shareholders holding more than 5% of the aggregate shares in the Company:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% Holding	Number of shares	% Holding
H. A. Mafatlal	3,176,150	22.83%	3,176,150	22.83%
NOCIL Limited	1,954,695	14.05%	1,954,695	14.05%
Suremi Trading Private Limited	3,093,047	22.23%	3,093,047	22.23%
Rekha H. Mafatlal	804,283	5.78%	804,283	5.78%

(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

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

agencies and the secured creditors. Preference shares redeemed by the Company during the period of five years immediately preceding the reporting date:

Particulars	Number	(₹ in Lakhs)
As at March 31, 2014	60,000,000	6,000.00

(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)	As at March 31, 2019	As at March 31, 2018
Calls Unpaid	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.

18(b) - Reserves and surplus

Particulars	As at March 31, 2019	As at March 31, 2018
Securities premium	17,452.07	17,452.07
Retained earnings	(14,438.00)	3,719.29
General Reserve	620.00	620.00
Capital reserve No. 1	61.16	61.16
Capital reserve No. 2	35.00	35.00
Capital Reserve on Amalgamation	3,634.48	3,634.48
Capital redemption reserve	8,383.14	8,383.14
Capital Investment Reserve	75.96	75.96
Investment Reserve	1.78	1.78
ESOP Reserve	48.87	17.93
Export Profit Reserve	20.00	20.00
Other reserves:		
FVOCI - Equity instruments	33,413.30	44,428.43
Total	49,307.76	78,449.24

(i) Securities Premium

Securities Premium is used to record the premium on issue of shares. This is utilised in accordance with the provisions of the Act.

Particulars	As at March 31, 2019	As at March 31, 2018
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, 2019	As at March 31, 2018
Balance at the beginning of the year	3,719.29	8,199.47
Less : Loss for the year	(18,007.04)	(4,177.82)
Less: Dividend and Dividend Distribution Tax	-	(334.90)
Other comprehensive income	(150.25)	32.54
Balance at the end of the year	(14,438.00)	3,719.29

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019
(All amounts in ₹ Lakhs, unless otherwise stated)
(iii) General Reserve

Particulars	As at March 31, 2019	As at March 31, 2018
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, 2019	As at March 31, 2018
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, 2019	As at March 31, 2018
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, 2019	As at March 31, 2018
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, 2019	As at March 31, 2018
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) 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, 2019	As at March 31, 2018
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

(ix) Investment Reserve

The said reserves has arisen on account of amalgamation with Mafatlal Gagalbhai and Company Private Limited.

Particulars	As at March 31, 2019	As at March 31, 2018
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

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

(x) ESOP Reserve

The said reserves has arisen on account of ESOP scheme announced by the Company.

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	17.93	-
Add:- Movement during the year	30.94	17.93
Balance at the end of the year	48.87	17.93

(xi) Export Profit Reserve

The said reserve has arisen due to amalgamation with The Mafatlal Fine Spinning and Manufacturing Co. Ltd.

Particulars	As at March 31, 2019	As at March 31, 2018
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

(xii) 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, 2019	As at March 31, 2018
Balance at the beginning of the year	44,428.43	19,076.89
Add:- Change in fair value of FVOCI equity instruments	(11,015.13)	25,351.54
Balance at the end of the year	33,413.30	44,428.43

Note 19 - Non- current borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Term Loans		
(a) From Banks [Refer Note no.(i),(ii), (iii),(iv) below]	4,419.80	6,461.99
(b) For vehicle loans [Refer Note no.(v) below]	40.55	67.53
(c) From financial institutions [Refer Note no.(vi) and (vii) below]	1,173.39	1,504.01
Total	5,633.74	8,033.53

(i) Term loan from a Bank, amounting to ₹ 2,638.89 Lakhs (March 31, 2018 ₹ 3,584.00 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 in the range of 12.05 % to 16.65 % p.a (March 31, 2018 - 12.25% p.a.)
(ii) Term loan from a Bank, amounting to ₹ 1,202.06 Lakhs (March 31, 2018 ₹ 1,708.60 Lakhs) is secured by mortgage of an immovable asset at Mumbai and exclusive first charge on Fixed Assets acquired out of the said loan from Bank at Navsari Plant and pledge over 5,10,000 shares of NOCIL Limited.	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 in the range of 12.50% to 12.65 % p.a. (March 31, 2018 - 12.50% p.a.).
(iii) Term loan from a Bank, amounting to ₹ 1,348.26 Lakhs (March 31, 2018 ₹ 1,841.99 Lakhs) is secured by mortgage of an 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 in the range of 12.50% to 13.25 % p.a. (March 31, 2018 - 12.25% p.a.). Repayable in 60 installments beginning from December 2016 till November 2021.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019
(All amounts in ₹ Lakhs, unless otherwise stated)

(iv) Term loan from a Bank, amounting to ₹ 1,279.72 Lakhs (March 31, 2018 ₹1,446.45 Lakhs) is secured exclusive by mortgage / hypothecation of an immovable asset at Mumbai.	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, 2018 10.20% p.a.).
(v) Loans from a Bank, amounting to ₹ 77.17 Lakhs (March 31, 2018 ₹106.91 Lakhs) 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.).
(vi) Term loan from a financial institution, amounting to ₹ 837.01 Lakhs (March 31, 2018 ₹1,137.00 Lakhs) is secured by mortgage of an immovable asset at Nadiad and exclusive first charge on Fixed Assets acquired out of the said loan from Financial institution at Nadiad Plant and pledge by promoters / promoter companies of certain shareholding in the Company.	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 in the range of 11.30% to 11.80% p.a. (March 31, 2018 11.75% p.a.).
(vii) Term loan from a financial institution, amounting to ₹ 926.38 Lakhs (March 31, 2018 - ₹ 667.00 Lakhs) is secured by charge on movable fixed assets acquired out of said 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 Limited and a lien on term deposit. (Also Refer Note 13)	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 in the range of 11.30% to 11.60% p.a. (March 31, 2018 11.75% p.a.).

The amounts mentioned include installments falling due within a year aggregating to ₹ 2,675.75 Lakhs (March 31, 2018: ₹ 2,380.39 Lakhs) have been grouped under "Current maturities of long-term debt" [Refer Note 24]

* 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, 2019	As at March 31, 2018
Trade / Security deposits	307.18	284.91
Interest accrued on others [Refer Note 49 (i)]	283.82	237.46
Total	591.00	522.37

Note 21 - Other non-current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Income on Government Grant (Refer Note 46)	544.16	2,655.91
Total	544.16	2,655.91

Note 22 - Current borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Loans repayable on demand		
From Banks		
Cash credit*	10,065.19	11,873.14
Factored receivables (Refer Note 11)	372.48	1,072.70
From Financial Institution		
Working capital loan	1,950.00	-
Total	12,387.67	12,945.84

* 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 @ 10.15% to 14.00 % p.a. (Previous year 11.15% to 12.50 % p.a.).

Refer Note 47 for Assets pledged as security.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 23 - Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises; and	8.79	273.80
Total outstanding dues of creditors other than micro enterprises and small enterprises	21,474.54	26,699.72
Trade Payables to related parties (Refer Note 41)	1.58	1.35
Total	21,484.91	26,974.87

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, 2019	As at March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	8.79	273.80
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	36.17	11.95
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	698.81	-
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	24.22	11.95
Further interest remaining due and payable for earlier years	11.95	-

Note 24 - Other current financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term debt (Refer Note 19)		
(i) From Banks	2,049.13	2,041.01
(ii) For vehicle loans	36.62	39.38
(iii) From financial institutions	590.00	300.00
Other advances [Refer Note 49(i)]	577.89	577.89
Interest accrued but not due on borrowings	89.31	65.85
Unclaimed dividends*	35.29	28.56
Trade / Security deposits	-	50.00
Trade payables for capital assets	49.33	97.49
Derivative financial liabilities		
- Foreign-exchange forward contracts	-	6.22
Total	3,427.57	3,206.40

*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.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019
(All amounts in ₹ Lakhs, unless otherwise stated)
Note 25 - Current provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits:		
(i) Provision for Compensated absences (Refer Note 40)	582.61	682.15
(ii) Provision for Gratuity (Refer Note 40)	342.47	205.19
Other Provisions		
(i) Provision for Fringe Benefit Tax [net of advance tax ₹ 39.05 Lakhs (As at March 31, 2018 ₹ 39.05 Lakhs)]	0.40	0.40
(ii) Provision for Wealth Tax (net)	0.11	0.11
Total	925.59	887.85

Note 26 - Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Payment towards Statutory liabilities	568.96	621.78
Advances from customers [Refer Note 51(ii)]	526.48	1,285.77
Employee Benefits Payable	2,055.68	971.11
Lease rent / utilities equalisation on expense	109.38	90.17
Deferred Income on Government Grant (Refer Note 46)	142.48	500.72
Others	156.30	322.49
Total	3,559.28	3,792.04

Note 27 - Revenue from operations

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of products	101,706.63	115,538.81
Other operating revenues		
Income from waste / scrap sale	331.94	402.33
Processing income	-	7.56
Duty drawback and other export incentives	329.49	811.34
Total revenue from operations	102,368.06	116,760.04

Note 28(a) - Other income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income on Financial Assets At Amortised Cost	173.72	168.66
Interest Income on Income Tax refund	32.69	21.56
Rental income from investment property	519.60	483.26
Utility / business service / air-conditioning charges and other receipts in respect of investment property	837.64	829.83
Dividend income from equity investments designated at fair value through other comprehensive income *	655.82	491.22
Apportioned Income from Government Grant #	487.60	511.06
Miscellaneous income	85.28	114.14
Total	2,792.35	2,619.73

* 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, 2019 (Refer Note 46).

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 28(b) - Other gains/(losses)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net gain on disposal of Property, Plant and Equipment (Refer Note 3)	157.03	715.56
Net foreign exchange differences	140.45	149.48
Derivatives at FVPL	-	(5.70)
Net gain/loss on sale of Investments	-	(189.48)
Total	297.48	669.86

Note 29 - Cost of materials consumed

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Raw materials consumed	33,112.92	39,172.50
Less : Transfer to exceptional items [Refer Note 34(c)]	(486.82)	-
Total	32,626.10	39,172.50

Note 30 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Inventories at the end of the year		
Finished goods	3,406.60	5,020.68
Work-in-progress	3,953.85	6,339.20
Stock-in-trade (Traded goods)	1,383.07	2,128.47
Inventories at the beginning 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
	4,744.83	1,081.54
Less : Transfer to exceptional items [Refer Note 34 (c)]	(921.69)	-
Total	3,823.14	1,081.54

Note 31 - Employee benefits expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	10,820.27	12,005.47
Contributions to provident and other funds	620.87	755.84
Gratuity expenses (Refer Note 40)	186.15	206.49
Staff welfare expenses	382.54	471.89
Employee share-based payment expense (Refer Note 37)	30.94	17.93
Total	12,040.77	13,457.62

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019
(All amounts in ₹ Lakhs, unless otherwise stated)
Note 32 - Finance costs (Net)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest expense on :-		
Borrowings [Refer Note (a) and (b) below]	2,533.47	2,683.77
Trade payables	295.90	220.56
Others	91.50	185.03
Other borrowing costs	97.99	19.18
Total	3,018.86	3,108.54

Note (a):

The interest subsidy for the year on the Term Loans availed under the Technology Upgradation Fund Scheme (TUFS) is ₹ 89.03 Lakhs (March 31, 2018 ₹ 135.08 Lakhs) and the same has been netted off from interest expense.

Note (b):

Finance costs are net of interest of ₹ 97.76 Lakhs (March 31, 2018 ₹ 51.32 Lakhs) capitalised in fixed assets.

Note 33 - Depreciation and amortisation expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on property, plant and equipment (Refer Note 3)	3,507.95	3,528.08
Amortisation on intangible assets (Refer Note 5)	83.83	78.63
Depreciation on investment property (Refer Note 4)	3.88	3.88
Total	3,595.66	3,610.59

Note 34 - Other expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of stores and spare parts	6,822.35	8,159.17
Processing charges	2,048.77	1,793.02
Power and fuel	7,723.95	9,119.13
Repairs and maintenance - Buildings	71.54	82.58
Repairs and maintenance - Machinery	199.72	255.94
Repairs and maintenance - Others	78.71	83.82
Insurance	122.16	73.84
Lease rent [Refer Note 43(b)]	306.92	334.05
Rates and taxes	142.54	111.09
Transport and freight charges (net)	724.98	847.52
Expenditure on corporate social responsibility [Refer Note 34(b)]	-	2.21
Donations and Charities	1.21	0.62
Bad trade and other receivables / loans and advances written off (net)	2.35	176.41
Provision for doubtful trade receivables and loans and advances (net)	224.11	38.02
Legal and professional fees	867.34	789.90
Payments to auditors [Refer Note 34(a)]	53.17	67.50
Directors' fees [Refer Note 41]	58.10	61.95
Miscellaneous expenses	3,080.26	3,525.91
Total	22,528.18	25,522.68

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 34 (a) - Details of payment to auditors

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Payment to the auditors		
Audit fees	35.00	35.00
For other services	17.00	31.15
Reimbursement of expenses	1.17	1.35
Total	53.17	67.50

Note 34 (b) - Corporate social responsibility

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) Gross amount required to be spent by the Company as per Section 135 of the Act	-	-
(b) Amount spent during the year on:-	-	2.21
	In Cash	Yet to be paid in cash
For the year March 31, 2019		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	-	-
For the year March 31, 2018		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	2.21	-

Note 34 (c) - Exceptional items

The financial performance for the current and previous year reflects a Loss before exceptional items and tax. In order to curtail losses, the Company has undertaken certain strategic initiatives. As part of these initiatives, it has decided to substantially scale down its denim operations. Consequently, the Company, after reviewing the utilisation of Property, Plant and Equipment, employee strength and carrying value of certain current/non-current assets relating to denim operations, has decided to take the undernoted write-downs / provisions as exceptional items:-

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Property, Plant and Equipment [Net of All Associated cost]* (Refer Note 3)	3,925.43	-
Write-down of current assets / non-current assets [Includes inventories, select receivables and other assets (Refer Note 10 and 11)]	2,608.92	-
One-time employee liabilities	1,827.45	-
Total	8,361.80	-

* balance realisable value is classified as "Assets held for Sale".

After implementation of the above strategic initiatives, and based on business plan for the coming years, the Company anticipates an improved financial position in future.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019
(All amounts in ₹ Lakhs, unless otherwise stated)
Note 35 - Taxation
35(a) - Income tax expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	34.944%	34.944%
Current tax on (Loss) / Profits for the year	-	-
Total current tax expense	-	-
Deferred tax		
(Decrease)/increase in deferred tax assets	-	17.00
Decrease/(increase) in deferred tax liabilities	-	-
Total deferred tax expense/(credit)	-	17.00
Income tax expense	-	17.00

35(b) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Loss for the year	(18,007.04)	(4,194.82)
Statutory income tax rate applicable to Mafatlal Industries Limited	34.944%	34.944%
Tax expense at applicable tax rate	(6,292.38)	(1,465.84)
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income		
Expenses not deductible for tax purposes	(2,943.03)	(75.71)
Weighted Deduction allowed	18.07	16.06
Exempt Income	229.17	201.22
Tax losses for which no deferred tax recognised	(3,535.28)	(1,565.71)
Others	(61.31)	(24.70)
Income tax expense as per the Statement of Profit and Loss	-	17.00

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	Year ended March 31, 2019	Year ended March 31, 2018
Provision for doubtful debts / advances (net)	-	73.91
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	-	421.61
Unabsorbed depreciation	3,828.66	4,848.56
Investment property	-	2.61
Others	-	5.63
Total deferred tax assets	3,828.66	5,352.32
Deferred Tax Liability		
On difference between book balance and tax balance of fixed assets	(2,600.70)	(4,124.36)
Others	-	-
Total deferred tax assets	1,227.96	1,227.96

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Movement in deferred tax (assets)/liabilities

Particulars	As at March 31, 2017	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	Year ended 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
Deferred 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

Particulars	Year ended March 31, 2018	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	Year ended March 31, 2019
Provision for doubtful debts / advances (net)	73.91	(73.91)	-	-
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	421.61	(421.61)	-	-
Unabsorbed depreciation	4,848.56	(1,019.90)	-	3,828.66
Deferred 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	(4,124.36)	1,523.66	-	(2,600.70)
Others	5.63	(5.63)	-	-
Total deferred tax assets	1,227.96	-	-	1,227.96

The Company has recognised the Deferred Tax Asset on unabsorbed depreciation of earlier years. During the year, the Company has undertaken certain strategic initiatives to which will results in cost reduction in future [Refer Note 34(c)]. They relate to one of the cost of integrating the operations and are not expected to recur in near future. The Company has concluded that the deferred tax assets will be recoverable partially compensated by decrease in deferred tax liabilities and excess will be recovered using estimated future taxable income. Further, unabsorbed depreciation can be carried forward for infinite period as per tax regulations.

35(e) - Tax losses

The Company has not created deferred tax asset on the following tax losses:-

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short Term Capital Loss	455.93	455.93
Potential tax benefit @ 34.944% (a)	159.32	159.32
Long Term Capital Loss	2,076.15	1,338.24
Potential tax benefit @ 23.30% (b)	483.74	311.81
Unabsorbed brought forward depreciation / business losses	3,535.28	1,565.71
Potential tax benefit @ 34.944% (c)	1,235.37	547.12
Minimum Alternate Tax	2,702.53	2,702.53
Potential tax benefit @ 21.55% (d)	582.40	582.40
Total Potential tax benefit [(a)+(b)+(c)+(d)]	2,460.83	1,600.65

The unused tax losses are not likely to generate taxable income in near future.

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.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019
(All amounts in ₹ Lakhs, unless otherwise stated)
35(g)-Income Tax asset (Net)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Income Tax asset [Net of Provision of Tax ₹ 12,638.33 Lakhs, (March 31, 2018: ₹ 12,023.16 Lakhs)]	1,831.26	1,770.86

35(h)-Current Tax Liabilities (Net)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current Tax liabilities [Net of Advance Tax ₹ 1,051.79 Lakhs, (March 31, 2018: ₹ 1,671.56 Lakhs)]	290.16	285.56

Note 36 - Fair value measurements
Financial instruments by category

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments in Equity instruments other than subsidiary	-	37,315.73	65.42	-	50,095.26	65.42
Cash and bank balances	-	-	1,919.75	-	-	3,558.12
Loans	-	-	119.59	-	-	730.65
Security deposits	-	-	795.73	-	-	822.50
Bank deposits with more than 12 months maturity	-	-	671.63	-	-	1,328.75
Trade receivables	-	-	19,560.29	-	-	28,617.73
Others	-	-	-	-	-	12.69
Total financial assets	-	37,315.73	23,132.41	-	50,095.26	35,135.86
Financial liabilities						
Borrowings	-	-	20,697.16	-	-	23,359.76
Trade / Security deposits received	-	-	307.18	-	-	334.91
Trade payables	-	-	21,484.91	-	-	26,974.87
Trade payables for capital assets	-	-	49.33	-	-	97.49
Interest accrued but not due on borrowings	-	-	89.31	-	-	65.85
Interest accrued on others	-	-	283.82	-	-	237.46
Other advances	-	-	577.89	-	-	577.89
Unclaimed dividends	-	-	35.29	-	-	28.56
Derivative instruments	-	-	-	6.22	-	-
Total financial liabilities	-	-	43,524.89	6.22	-	51,676.79

Financial Asset and Liabilities measured at Fair Value - recurring fair value measurements

Particulars	Level 1	Level 2	Total
As at March 31, 2019			
Quoted Equity investments measured at Fair value	37,315.73	-	37,315.73
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)

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial Assets and Financial Liabilities measured at Amortised cost for which fair values are disclosed - Level 3

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Investments in Government securities	2.89	2.89	2.89	2.89
Investments in Unquoted Shares	62.53	62.53	62.53	62.53
Loans	115.43	115.43	722.40	722.40
Security deposits	471.19	471.19	507.18	507.18
Bank deposits with more than 12 months maturity	671.63	671.63	1,328.75	1,328.75
Liabilities				
Borrowings	5,633.74	5,633.74	8,033.53	8,033.53
Trade / Security deposits received	307.18	307.18	284.91	284.91
Other financial liabilities	283.82	283.82	237.46	237.46

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 value.

Financial Asset and Financial Liabilities measured at fair values - Level 3

Particulars	As at March 31, 2019	As at March 31, 2018
Assets		
Investments in Unquoted Shares - FVPL	-	-
Investments in Unquoted Shares - FVOCI	-	151.41

(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 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 date

(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.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019
(All amounts in ₹ Lakhs, unless otherwise stated)

The main level 3 inputs used by the Company are derived and evaluated as follows:

- 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.
- Risk adjustments specific to the counter parties (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 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 Company at their meeting held on May 5, 2017 and finalised on August 10, 2017. At the Annual General Meeting held on August 02, 2017, the shareholders had approved the creation of employee stock option pool of 695,000 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 & Remuneration Committee(NRC) will administer the ESOS. On November 10, 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 exercisable 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	-	128,000
Granted during the year	-	-
Exercised during the year	-	-
Forfeited during the year	322.70	56,000
Closing Balance	-	72,000
Vested and exercisable	-	-

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 (₹)	Share options March 31, 2019	Fair value of options (₹)
10-Nov-17	10-Nov-18	10-Nov-22	322.70	10,800	108.92
10-Nov-17	10-Nov-19	10-Nov-23	322.70	14,400	126.71
10-Nov-17	10-Nov-20	10-Nov-24	322.70	21,600	146.18
10-Nov-17	10-Nov-21	10-Nov-25	322.70	25,200	156.18
Total				72,000	

(i) Fair Value of options granted

The weighted average fair value at grant date of options granted during the year ended March 31, 2019 was ₹ 140.20 per option (March 31, 2018 - ₹ 145.78). 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.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

The model inputs for options granted during the year ended March 31, 2019 included:-

- (a) options are granted for no consideration and vest upon completion of service for a period of 1-4 years. Vested options are exercisable 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%
- (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 benefits expense were as follows:-

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Employee option plan	30.94	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, 2019	Note	Carrying amount	Less than 12 months	1 year to 3 years	More than 3 years
Borrowings	19, 22 and 24	20,697.16	15,063.42	5,318.82	314.92
Interest accrued but not due on borrowings	24	89.31	89.31	-	-
Trade payables	23	21,484.91	21,484.91	-	-
Trade / Security deposits	20	307.18	-	307.18	-
Trade payables for capital assets	24	49.33	49.33	-	-
Interest accrued on others	20	283.82	-	283.82	-
Other liabilities	24	613.18	613.18	-	-

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019
(All amounts in ₹ Lakhs, unless otherwise stated)

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	-	-

(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 its 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's exposure to, and the Management of, these risks is explained below:

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.	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.	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:
Equity price risk is related to the change in market reference price of the investments in equity securities.	Any new investment or divestment must be approved by the Board of Directors, Chief Financial Officer and Risk Management Committee.	For equity instruments, a 5% increase in Sensex prices would have led to an approximately additional ₹ 1,929.60 Lakhs gain (March 31, 2018- ₹ 2,497.18 Lakhs). A 5% decrease in Sensex prices would have led to an equal but opposite effect.
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, 2019 is ₹ 37,315.73 Lakhs (March 31, 2018: ₹ 49,943.85 Lakhs).		
ii) Interest rate risk		
a) 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.	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 ₹ 53.08 Lakhs (March 31, 2018: ₹ 55.91 Lakhs additional loss). A 25 bps decrease in interest rates would have led to an equal but opposite effect.
As at March 31, 2019, the exposure to interest rate risk due to variable interest rate borrowings amounted to ₹ 20,697.16 Lakhs (March 31, 2018: ₹ 23,359.76 Lakhs)		

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Potential impact of risk	Management policy	Sensitivity to risk
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.	<p>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.</p> <p>The 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 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.</p>	<p>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.</p> <p>A 5% strengthening of the respective futures would result additional loss / gain of NIL (March 31, 2018 - NIL) impact on profit and equity. This analysis assumes that all other variables remain constant.</p> <p>A 5% weakening of the futures would have led to an equal but opposite effect.</p>
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.	<p>The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD, EURO, GBP and AED.</p> <p>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.</p> <p>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.</p>	<p>As an estimation of the approximate impact of the foreign exchange rate risk, with respect to Financial Statements, the Company has calculated the following:</p> <p>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 ₹ 74.91 Lakhs (March 31, 2018: gain of ₹ 162.39 Lakhs). A 5% decrease would have led to an equal but opposite effect.</p>

Foreign currency risk exposure:

The details of forward contracts outstanding as at the balance sheet date are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Import contracts		
USD	-	-
Export contracts		
USD	-	1,800,000

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

As at March 31, 2019		As at March 31, 2018	
Receivable/ Payable	Receivable/ Payable in Foreign currency	Receivable/ Payable	Receivable/ Payable in Foreign currency
₹ in Lakhs	(Amount in Foreign currency) (in Lakhs)	₹ in Lakhs	(Amount in Foreign currency) (in Lakhs)
Receivable		Receivable	
1,656.81	USD 23.957	2,573.68	USD 39.71
93.91	AED 4.99	11.96	AED 0.71
27.11	EURO 0.35	33.44	EURO 0.41
78.17	GBP 0.86	0.25	GBP 0.0027
Payable		Payable	
357.81	USD 5.174	543.61	USD 8.36
-	-	4.08	EURO 0.05

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019
(All amounts in ₹ Lakhs, unless otherwise stated)
(C) Management of credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party fails to meet its contractual obligations.

Trade receivables

Concentration 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 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 forward-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 counter party,
- iii) Financial or economic conditions that are expected to cause a significant change to the counter party's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counter party,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

In furtherance to above, the Company has assessed the impact of the simplified approach permitted by Ind AS 109 financial instruments, which requires expected lifetime losses to be recognised in respect of trade receivables. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the micro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expect the historical trend of minimal credit losses to continued.

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 counter parties which have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counter party 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 assets 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 recognised 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 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, 2019	As at March 31, 2018
Total Borrowings	18,777.41	19,801.64
Total Equity	50,698.98	79,840.46
Net Debt to equity ratio	0.37	0.25

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

(b) Dividends

	Year ended March 31, 2019	Year ended March 31, 2018
<u>Equity shares</u>		
Final dividend for the year ended March 31, 2018-NIL (March 31, 2017 ₹ 2/- per fully paid share)	-	278.26
Dividend Distribution Tax on final dividend	-	56.64

Note 40 - Employee benefit obligations

Particulars	As at March 31, 2019	As at March 31, 2018
Compensated Absences (Refer Note 25)	582.61	682.15
Gratuity (Refer Note 25)	342.47	205.19
Total	925.08	887.34

(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, 2019	As at March 31, 2018
Current leave obligations not expected to be settled within the next 12 months	421.65	471.58

(ii) Post employment obligations

(a) Defined Contribution Plans:

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 ₹ 620.87 Lakhs (March 31, 2018- ₹ 755.84 Lakhs) (Refer Note 31).

(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 Corporation ('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, 2019
(All amounts in ₹ Lakhs, unless otherwise stated)
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, 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
<i>Remeasurements</i>			
Return on plan assets, excluding amount included in interest expense/(income)	-	31.15	(31.15)
(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

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As on April 01, 2018	3,103.76	2,898.57	205.19
Interest Expense/(Income)	243.10	226.98	16.12
Current Service Cost	170.03	-	170.03
Past Service Cost	-	-	-
Total Amount Recognised in Profit and Loss	413.13	226.98	186.15
<i>Remeasurements</i>			
Return on plan assets, excluding amount included in interest expense/(income)	-	(10.79)	10.79
(Gain)/loss from change in financial assumptions	76.59	-	76.59
Experience (gains)/losses	62.87	-	62.87
Total Amount Recognised in Other Comprehensive Income	139.46	(10.79)	150.25
Employer Contributions	-	199.12	(199.12)
Benefit Payments	(984.47)	(984.47)	-
Balance as on March 31, 2019	2,671.88	2,329.41	342.47

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, 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)	-
Actuarial gain/(loss)	-	(5.01)	5.01
Balance as on March 31, 2018 *	2,269.88	2,408.29	(138.41)

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 01, 2018	2,269.88	2,408.29	(138.41)
Opening Balance adjustment	46.78	36.73	10.05
Interest Expense/(Income)	175.99	175.99	-
Current Service Cost	112.41	-	112.41
Employee Contributions	161.86	274.27	(112.41)
Liabilities transferred in	41.03	41.03	-
Benefit Payments	(376.72)	(376.72)	-
Actuarial gain/(loss)	-	(0.68)	0.68
Balance as on March 31, 2019 *	2,431.23	2,558.91	(127.68)

* Excess of the asset over liability is not recognised in the financials.

Following tables show breakdown of the defined benefit obligations and plan assets :

GRATUITY

Particulars	As at March 31, 2019	As at March 31, 2018
Present Value of Obligations	2,671.88	3,103.76
Fair Value of Plan Assets	2,329.41	2,898.57
Net (Asset) / Liability	342.47	205.19

PROVIDENT FUND

Particulars	As at March 31, 2019	As at March 31, 2018
Present Value of Obligations	2,431.23	2,269.88
Fair Value of Plan Assets	2,558.91	2,408.29
Net (Asset) / Liability*	(127.68)	(138.41)

* Excess of the asset over liability is not recognised in the financials.

The significant actuarial assumptions were as follows:

Particulars	March 31, 2019	March 31, 2018
Discount Rate / Return on plan assets		
Gratuity	7.54%- 7.79%	7.82%-7.87%
Guaranteed Return		
Provident fund	8.65%	8.65%
Rate of salary increase		
Gratuity	4.00%	4.00%
Rate of employee turnover		
Gratuity	2.00%	2.00%
Mortality rate during employment	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019
(All amounts in ₹ Lakhs, unless otherwise stated)
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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount Rate / Return on plan assets				
Gratuity	(80.78)	(101.76)	85.76	108.51
Rate of salary increase				
Gratuity	88.37	112.01	(83.87)	(105.80)
Rate of employee turnover				
Gratuity	21.70	33.42	(22.82)	(35.32)

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.

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform 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 March 31, 2020 are ₹ 266.29 Lakhs.

The weighted average duration of the defined benefit obligation is 7-11 years (2018 - 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, 2019	As at March 31, 2018
1st Following Year	416.17	400.94
2nd Following Year	212.02	220.56
3rd Following Year	212.14	308.12
4th Following Year	238.90	276.42
5th following year	275.79	286.72
Sum of 6th to 10th Following Year	1,263.97	1,456.22

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

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 Deshmukh (Managing Director & CEO) up to March 31, 2019

Priyavrata H. Mafatlal (Executive Director), [CEO w.e.f. April 01, 2019] [Son of Shri 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. Chakravarti (Non Executive Independent Director)

Sujal A. Shah (Non Executive Independent Director)

C) Individual having significant influence

H. A. Mafatlal

D) Enterprises over which key management personnel and their relatives are able to exercise significant influence

NOCIL

Arvi Associates Private Limited

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 Superannuation Scheme

Mafatlal Industries Limited - Employee's Gratuity Fund

Mafatlal Industries Limited - Employees Provident Fund

Mafatlal Denim Limited - Employees Provident Fund

Mafatlal Denim Limited - Employees Superannuation Fund

** No transactions during the year

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019
(All amounts in ₹ Lakhs, unless otherwise stated)
II Transactions with related parties

The following transactions occurred with related parties:

A) Key Management personnel compensation

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Directors Remuneration		
Short-term employee benefits		
Aniruddha Deshumkh (Managing Director & CEO)	227.47	251.14
Priyavrata H. Mafatlal (E.D.) [Son of Shri H.A. Mafatlal]	25.23	61.76
Post-employment benefits	*	*
Long-term employee benefits	*	*
Employee share-based payment	-	-
Director's sitting fees		
Latika P. Pradhan	10.50	10.50
Atul K. Srivastava	7.00	7.35
Pradip. N. Kapadia	8.40	9.80
Gautam G. Chakravarti	11.20	11.55
Sujal A. Shah	8.40	10.50
Vilas. R. Gupte	12.60	12.25
Total compensation	310.80	374.85

B) Details of transactions with Related Parties during the year

Nature of transaction	Year ended March 31, 2019	Year ended March 31, 2018
(i) Sale of Goods & Services		
Suremi Trading Private Limited	0.36	0.14
(ii) Other Operation Revenues		
NOCIL	13.08	10.41
(iii) Dividend Income		
NOCIL	650.20	468.14
(iv) Receiving of Services (Expense)		
Mafatlal Services Limited	13.01	9.11
(v) Lease & Licience Fees		
Arvi Associates Private Ltd	2.28	0.38
Gayatri Pestichem Manufacturing Private Limited	0.12	0.03
(vi) Payment for Post employment benefit plan		
The Mafatlal Gagalbhai & Sons and the associate concerns officer's superannuation scheme	61.16	81.89
Mafatlal Industries Ltd Employee's Gratuity Fund	15.00	97.67
Mafatlal Industries Limited Employees Provident Fund	285.78	309.22
Mafatlal Denim Limited Employees Provident Fund	2.18	6.19
Mafatlal Denim Limited Employees Superannuation Fund	19.28	30.04
(vii) Sale of Investments		
Suremi Trading Private Limited	64.81	-
Arvi Associates Private Limited	272.50	-
(viii) Amount due from		
Trade and other receivables:		
NOCIL	3.70	0.82
Suremi Trading Private Limited	0.32	-
Arvi Associates Private Limited	-	0.38
Gayatri Pestichem Manufacturing Private Limited	-	0.03

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Nature of transaction	Year ended March 31, 2019	Year ended March 31, 2018
(ix) Amount due to		
Trade and other payables:		
Mafatlal Services Limited	1.58	1.35
(x) Investments in Related Parties		
NOCIL	37,168.70	49,766.15

Notes:

*Compensation excludes provision for gratuity, provident fund and compensated absences since these are based on actuarial valuation on an overall company basis.

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, 2019	As at March 31, 2018
Income Tax Matters	3,053.63	2,522.31
Central excise and related matters	528.70	528.70
Central excise and service tax matters	2,960.55	2,960.55
Other Commercial matters	49.83	49.83
Labour Law matters	366.87	347.62
Director General of Foreign Trade matters	4.79	4.79
Total	6,964.37	6,413.80

- (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 (March 31, 2018 ₹ 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 (March 31, 2018 ₹ 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.
- (d) The Company does not expect any reimbursement in respect of the above contingent liabilities.
- (e) The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019
(All amounts in ₹ Lakhs, unless otherwise stated)
Note 43 - Commitments
(a) Capital commitments and other commitments
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, 2019	As at March 31, 2018
Estimated value of contracts on capital account remaining to be executed		
Tangible assets	139.96	43.39

Other commitments

Particulars	As at March 31, 2019	As at March 31, 2018
Export obligations against the import licenses taken for import of capital goods under the Export Promotion Capital Goods Scheme which is to be fulfilled over the period of next six years. If the Company is unable to meet these obligations, its liability would be ₹ 1,452.83 Lakhs (March 31, 2018 : ₹ 2,059.73 Lakhs) which will reduce in proportion to actual exports. The Company is reasonably certain to meet its export obligations, hence it does not anticipate a loss with respect to these obligations.	8,716.98	12,358.35

(b) Non-cancellable operating leases
As a lessor

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, 2019	As at March 31, 2018
<i>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</i>		
Within one year	103.51	181.44
Later than one year but not later than five years	45.11	14.48
Total	148.62	195.92

As a Lessee

The Company has entered into operating lease arrangements for certain facilities and residence premises. The leases are non-cancellable and are for a period upto 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, 2019	As at March 31, 2018
<i>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</i>		
Within one year	179.55	191.55
Later than one year but not later than five years	59.39	229.67
Total	238.94	421.22

Rental expense relating to operating leases

Particulars	As at March 31, 2019	As at March 31, 2018
Total rental expense relating to operating leases*	306.92	334.05

* 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 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.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Within India	Outside India	Within India	Outside India
Revenue from Operations	91,846.61	10,521.45	97,839.83	18,920.21

Segment Assets

Particulars	As at March 31, 2019		As at March 31, 2018	
	Within India	Outside India	Within India	Outside India
Non-current assets excluding financial assets, investment in a subsidiary, deferred tax assets and Income tax assets	14,419.78	-	30,962.62	-

The Company does not have revenue of more than 10% from a single customer.

Note 45 - Earnings per share

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Basic and Diluted (Loss) / Earnings Per Share		
Loss After Taxation	(18,007.04)	(4,177.82)
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	(129.43)	(30.03)
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).

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	3,156.63	3,667.69
Grants during the year	26.63	-
Less:- Grant reclassified	(72.85)	-
Less: Released to Statement of Profit and Loss (Note 28(a))	(487.60)	(511.06)
Less : Impairment [Refer Note 34 (c)]	(1,936.17)	-
Closing balance	686.64	3,156.63

Description	As at March 31, 2019	As at March 31, 2018
Current portion	142.48	500.72
Non-current portion	544.16	2,655.91
Total	686.64	3,156.63

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019
(All amounts in ₹ Lakhs, unless otherwise stated)
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, 2019	As at March 31, 2018
Current			
Financial Assets			
First and Second Charge			
Inventories	10	10,496.54	16,267.05
Assets held for sale	17	7,850.09	-
Trade receivables	11	19,135.72	28,306.41
Total Current assets pledged as security		37,482.35	44,573.46
Non-Current			
Land	3	8.57	8.57
Building	3	2,772.20	2,448.86
Plant & Machinery	3	9,373.81	22,646.55
Investment Property	4	218.01	218.54
Vehicles	3	168.56	235.67
Investments	6	13,274.49	13,656.01
Others Assets	13	40.98	40.98
Total Non-Current assets pledged as security		25,856.62	39,255.18
Total assets pledged as security		63,338.97	83,828.64

Note:- 48

The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others v/s The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/ Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

Note 49

- (i) As legally advised, the Company has not recognised as income recovery of rent and other charges of ₹ 83.61 Lakhs upto March 31, 2019 (₹ 83.61 Lakhs upto March 31, 2018) 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 liabilities.
- (ii) In an earlier year, the Company had sold part of its leasehold land at its Mazgaon unit. During the current financial year, the Company has surrendered 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) During the quarter ended 30th September 2018, the Hon'ble Bombay High Court passed an order partially allowing the Writ Petition No.2982 of 2016 filed by the Company. The demand notice of ₹ 454.35 crores issued by the Collector, Mumbai City in respect of part of the Mazagaon land (developable land) has been set aside in line with earlier decision of the Hon'ble Bombay High Court on the similar issue in other matters. The said earlier decision of the Hon'ble Bombay High Court on the same issue has been challenged by the State Government in the Hon'ble Supreme Court by filing Special Leave Petition (SLP) in which the

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Company has also been made one of the respondents. In the SLP filed by the Company against the aforesaid Order, in so far as it relates to rejection of the claim of the Company for non-cash compensation benefit (TDR) against surrender of a part of land at Mazagaon (reserved land) to Municipal Corporation of Greater Mumbai (MCGM) has been dismissed by the Hon'ble Supreme Court, with liberty to the Company to explore the alternative remedies available to it in accordance with law. As legally advised, against the aforesaid Order of the Hon'ble Bombay High Court denying TDR benefits to the Company against surrender of Reserved Land, the Company has filed a review petition in the Hon'ble Bombay High Court.

Note 50 - Details of Research and Development

Details of research and development expenditure recognised as expense

Particulars	March 31, 2019	March 31, 2018
Employee benefits expense	81.11	-
Consumables	3.11	-
Repairs and Maintenance	19.22	-
Total	103.44	-

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.
- With effect from 1st April, 2018 company has adopted Ind AS 115 – Revenue from Contracts with Customers which resulted adjustments to the amounts recognised in the financial statements in the form of reclassification. In accordance with the transition provisions in the Ind AS 115, the company has adopted the modified retrospective method. Accordingly, comparative information for prior period has not been restated.

Balance Sheet (Extract)	31 st March 2019 without adoption of Ind As 115	Increase/ (Decrease)	31 st March 2019 as reported
Current Liabilities	-	-	-
Contract Liabilities	-	-	-
Other Current Liabilities	526.48	-	526.48
Total Current Liabilities	526.48	-	526.48

Presentation of assets and liabilities related to contracts with customers:

The company has also voluntarily changed the presentation of certain amount in the balance sheet to reflect the terminology of Ind AS 115:

Contract liabilities in relation to contracts for sale of goods and services which were included in the other current liabilities NIL. Contract Liabilities represents advance received against sale of goods or services

Note 52:- Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures.

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No. 109553
Mumbai, May 16, 2019

For and on behalf of the Board of Directors

H. A. Mafatlal
Chairman
(DIN:00009872)

Milan Shah
Chief Financial Officer

Mumbai, May 16, 2019

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

Ashish Karanji
Company Secretary

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)

INDEPENDENT AUDITORS' REPORT

To the Members of Mafatlal Industries Limited Report on the Audit of Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Mafatlal Industries Limited ("hereinafter referred to as the Company") and its subsidiary company (Holding Company and its subsidiary together referred to as "the Group") [refer Note 2(b) to the attached consolidated financial statements], comprising of the consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flow statement 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 financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 Company and its subsidiary as at March 31, 2019, of consolidated total comprehensive income (comprising of Loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis of Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiary in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India, of the consolidated state of affairs of the Company and its subsidiary as at March 31, 2019, of consolidated total comprehensive income (comprising of Loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows 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 financial statements"). We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 17 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

4. We draw attention to Note 34(c) regarding the net loss of ₹ 9,645.24 Lakhs before exceptional items reported for the year ended March 31, 2019. The Company has undertaken certain steps for scaling down one of its manufacturing operations for which the Company has recognised expenses aggregating ₹ 8,361.81 Lakhs, determined to be in the nature of exceptional items, in anticipation of improving the financial position of the Company. Our opinion is not modified in respect of this matter.

Key audit matter

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Appropriateness of impairment assessment of Property, Plant and Equipment (other than considered as Held for Sale) (Refer to Note 3 in the consolidated financial statements) The carrying value of the Property, Plant and Equipment is ₹ 13,210.21 Lakhs as at March 31, 2019, which is significant to the balance sheet. The Company has incurred losses before taxes and exceptional items for the financial year 2018-19 which has been considered as trigger for impairment of Property, Plant and Equipment (other than considered as Held for Sale) by the Company. For the purposes of impairment testing, the carrying value of the assets were compared to the recoverable amount (i.e. higher of value in use and fair value less costs to sell). While calculating the value in use, judgement was involved in estimations of the cash flow determining the appropriate discount rate and the terminal growth rate. The Management engaged a valuation expert to determine the fair value of Property, Plant and Equipment. The Management has concluded that no impairment was required as of March 31, 2019.	We have performed audit procedures including the following: Assessed whether the Company's identification of CGUs, which are the smallest identifiable groups of assets that can generate largely independent cash inflows, was consistent with our knowledge of the Company's operations. Understood and evaluated the design of management processes and controls for preparation of impairment assessment working and tested the operating effectiveness of the Company's internal controls surrounding the assessment. We have reviewed the cash flow forecasts of the previous years with the actual results to assess the accuracy of historical forecasts. Engaged with auditors' valuation experts to determine a range of acceptable discount rates and terminal growth rates, with reference to valuations of similar companies and other relevant external data. Performed sensitivity analysis over the future cash flows to assess the potential impact of changes in discount rate and terminal growth rate. Performed test of details to assess the completeness and accuracy of the management's fair valuation report. We also examined the management's comparison of the value in use and fair value to determine recoverable amount. As a result of the above procedures, the Management's assessment of carrying value of Property, Plant and Equipment (other than considered as Held for Sale) was considered to be appropriate.

Key audit matter	How our audit addressed the key audit matter
Assessment of recoverability of deferred tax assets (Refer Note -35(d)) <p>The carrying value of Deferred Tax Assets is ₹ 1,227.96 Lakhs as at March 31, 2019. Deferred tax assets are recognised on temporary differences and past tax losses/unabsorbed depreciation as it is considered to be recoverable based on the Company's projected taxable profits in the forecast period.</p> <p>We considered this a key audit matter because significant judgement is required by the Company in determining the recoverability of deferred tax assets arising from Unabsorbed Depreciation as the realisation of tax benefits is dependent on future taxable profits and there are inherent uncertainties involved in forecasting such profits within the recoupment period.</p>	<p>Our audit procedures included the following:</p> <p>Evaluation of the design and testing operating effectiveness of Company's controls relating to the assessment of carrying amount of deferred tax assets, the preparation of the forecast and its related inputs/ assumptions.</p> <p>Obtained Management's approved forecast of taxable profit of next five years and understanding of process followed/assumptions used in such preparation.</p> <p>Assessing the appropriateness of tax rate applied to the taxable profit forecasts;</p> <p>Considering whether the tax losses, on which deferred tax asset is recognised, have been assessed by the tax authorities and are available for utilisation.</p> <p>Based on the above procedures, the Management's assessment of recoverability of deferred tax assets was considered to be reasonable.</p>

Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis report and Secretarial Audit report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Corporate Information, summarised financial information and Director's report, which is expected to be made available to us after that date. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance, conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
7. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.
8. When we read the Corporate Information, summarised financial information and Directors' report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

9. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Company including its subsidiary in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Company and of its subsidiary are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.
10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Company and of its subsidiary are responsible for assessing the ability of the Company and of its subsidiary to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
11. The respective Board of Directors of the companies included in the Company and of its subsidiary are responsible for overseeing the financial reporting process of the Company and of its subsidiary.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiary to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiary to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiary to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
14. We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

17. We did not audit the financial statements of one subsidiary – Mafatlal Services Limited whose financial statements reflect total assets of ₹ 47.91 Lakhs and net assets of ₹ 39.13 Lakhs as at March 31, 2019, total revenue of ₹ 30.79 Lakhs and total comprehensive income (comprising of profit and other comprehensive income) of Nil and net cash flows amounting to ₹ 1.24 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

18. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- 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 financial statements.
 - In our opinion, proper books of account as required by law maintained by the Holding Company and its subsidiary incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement and the dealt with by this Report, are in agreement with the relevant books of account maintained by the Company and its subsidiary company incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
 - In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Company and its subsidiary company incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate report in Annexure A.
 - 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:
 - The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2019 on the consolidated financial position of the Company and its subsidiary – Refer Note 42, 50 and 51 to the consolidated financial statements.
 - The Company and its subsidiary company had long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Company and its subsidiary did not have any long-term derivative contracts as at March 31, 2019.
 - There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiary company incorporated in India during the year ended March 31, 2019 ; and
 - The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N / N500016

Priyanshu Gundana
Partner
Membership Number 109553

Mumbai
May 16, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 18(f) of the Independent Auditors' Report of even date to the members of Mafatlal Industries Limited on the consolidated financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of Mafatlal Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary 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 statements 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 respective Board of Directors of the Holding Company to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements 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
May 16, 2019

Consolidated Balance Sheet as at March 31, 2019
(All amounts in ₹ Lakhs, unless stated otherwise)

	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	13,210.21	29,096.01
Capital work-in-progress	3	-	657.64
Investment properties	4	287.22	258.59
Intangible assets	5	362.15	440.84
Intangible assets under development	5	61.98	-
Financial assets			
i. Investments	6	37,381.15	50,160.68
ii. Trade receivables	11(a)	33.20	33.20
iii. Loans	7	115.43	722.40
iv. Other financial assets	8	1,142.82	1,835.93
Deferred tax assets (Net)	35(d)	1,227.96	1,227.96
Other non-current assets	9	498.22	482.04
Income tax asset (Net)	35(g)	1,831.26	1,770.86
Total non-current assets		56,151.60	86,686.15
Current assets			
Inventories	10	10,496.54	16,267.05
Financial assets			
i. Trade receivables	11 (b)	19,562.80	28,618.99
ii. Cash and cash equivalents	12	1,020.02	1,915.02
iii. Bank balances other than (ii) above	13	907.46	1,652.05
iv. Loans	14	4.16	9.17
v. Other financial assets	15	324.54	328.01
Other current assets	16	4,269.54	3,686.44
Assets held for sale	17	7,853.27	-
Total current assets		44,438.33	52,476.73
TOTAL ASSETS		100,589.93	139,162.88
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18(a)	1,391.22	1,391.22
Other equity			
i. Reserves and surplus	18(b)	15,901.39	34,027.74
ii. Other reserves		33,413.30	44,428.43
Equity Attributable to Owners of Mafatlal Industries Limited		49,314.69	78,456.17
Non Controlling Interests		4.69	4.69
Total equity		50,710.60	79,852.08
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	19	5,633.74	8,033.53
ii. Other financial liabilities	20	595.79	527.16
Other non-current liabilities	21	544.16	2,655.91
Total non-current liabilities		6,773.69	11,216.60
Current liabilities			
Financial liabilities			
i. Borrowings	22	12,387.67	12,945.84
ii. Trade payables	23	-	-
- total outstanding dues of micro enterprises and small enterprises; and		8.79	273.81
- total outstanding dues of creditors other than micro enterprises and small enterprises		21,474.89	26,699.89
iii. Other financial liabilities	24	3,427.57	3,207.32
Provisions	25	927.31	888.70
Other current liabilities	26	3,561.19	3,793.08
Current tax liabilities (Net)	35(h)	290.16	285.56
Liabilities directly associated with assets held for sale		1,028.06	-
Total current liabilities		43,105.64	48,094.20
Total liabilities		49,879.33	59,310.80
TOTAL EQUITY AND LIABILITIES		100,589.93	139,162.88

The accompanying notes are an integral part of the consolidated financial statements.

In terms of our report attached
For and on behalf of the Board of Directors
For Price Waterhouse Chartered Accountants LLP
Registration No.012754N / N500016

H. A. Mafatlal
Chairman
(DIN:00009872)

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

Directors
V. R. Gupta (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)
Priyanshu Gundana
Partner
Membership No. 109553
Mumbai, May 16, 2019

Milan Shah
Chief Financial Officer
Mumbai, May 16, 2019

Ashish Karanji
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	27	102,385.36	116,773.59
Other income	28 (a)	2,792.85	2,620.22
Other gains/(losses)	28 (b)	297.48	669.86
Total income		105,475.69	120,063.67
Expenses			
Cost of materials consumed	29	32,626.10	39,172.50
Purchases of stock-in-trade		37,470.42	38,290.98
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	3,823.14	1,081.54
Employee benefits expense	31	12,057.04	13,469.35
Finance costs (Net)	32	3,018.86	3,108.54
Depreciation and amortisation expense	33	3,595.66	3,610.59
Other expenses	34	22,529.71	25,524.99
Total expenses		115,120.93	124,258.49
Loss before exceptional items and tax		(9,645.24)	(4,194.82)
Exceptional items	34(c)	(8,361.80)	-
Loss before tax		(18,007.04)	(4,194.82)
Income tax expense			
- Current tax	35(a)	-	-
- Deferred tax charge / (credit)	35(a)	-	(17.00)
Total tax credit		-	(17.00)
Loss for the year		(18,007.04)	(4,177.82)
Other Comprehensive Income			
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value of FVOCI equity instruments	18(b)	(11,015.13)	25,351.54
Remeasurements of post-employment benefit obligations (charge) / credit	40	(150.25)	49.54
Tax on above		-	(17.00)
Total Other Comprehensive Income for the year		(11,165.38)	25,384.08
Total comprehensive income for the year		(29,172.42)	21,206.26
Loss is attributable to			
Owners of Mafatlal Industries Limited		(18,007.04)	(4,177.82)
Non Controlling Interest		-	-
		(18,007.04)	(4,177.82)
Other comprehensive income is attributable to			
Owners of Mafatlal Industries Limited		(11,165.38)	25,384.08
Non Controlling Interest		-	-
		(11,165.38)	25,384.08
Total comprehensive income is attributable to			
Owners of Mafatlal Industries Limited		(29,172.42)	21,206.26
Non Controlling Interest		-	-
		(29,172.42)	21,206.26
Loss per equity share of ₹ 10/- each	45		
Basic		(129.43)	(30.03)
Diluted		(129.43)	(30.03)

The accompanying notes are an integral part of the consolidated financial statements.

In terms of our report attached

For and on behalf of the Board of Directors

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

H. A. Mafatlal
Chairman
(DIN:00009872)

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

Directors
V. R. Gupta (DIN:00011330)
A. K. Srivastava (DIN:00046776)
P. N. Kapadia (DIN:00078673)
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Priyanshu Gundana
Partner
Membership No. 109553
Mumbai, May 16, 2019

Milan Shah
Chief Financial Officer
Mumbai, May 16, 2019

Ashish Karanji
Company Secretary

Consolidated Cashflow Statement for the year ended March 31, 2019
(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash flow from operating activities		
Net (Loss) after exceptional items and before tax as per the Statement of Profit and Loss	(18,007.04)	(4,194.82)
Adjustments for:		
ESOP expense	30.94	17.93
Depreciation / amortisation on property plant and equipment, investment property, intangible asset	3,595.66	3,610.59
Impairment losses	7,302.40	-
Finance costs	3,018.86	3,108.54
Gain on sale of Property Plant and Equipment	(157.03)	(715.56)
Interest Income	(174.21)	(169.15)
Interest on income tax refund	(32.69)	(21.56)
Apportionment of government grant	(487.60)	(511.06)
Dividend income	(655.82)	(491.22)
Rental Income on Investment Properties	(519.60)	(483.26)
Utility / business service / air-conditioning charges and other receipts in respect of investment property	(837.64)	(829.83)
Bad trade and other receivables / Loans and advances written off (net)	2.35	176.41
Provision for doubtful debts / advances	224.11	38.02
Net unrealised exchange loss / (gain)	91.95	71.82
Gain on sale of Investments (Net)	-	189.48
Operating profit before working capital changes	(6,605.36)	(203.67)
<i>Changes in working capital</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	5,770.51	941.50
Trade receivables	8,739.89	125.27
Current Loans and advances	5.01	3.91
Non current loans and advances	155.56	358.13
Other Current Financial Assets	(0.58)	(176.95)
Other Non Current Financial Assets	35.99	73.33
Other Bank Balances	744.63	(1,188.43)
Other Non Current Assets	(18.14)	18.57
Other Current Assets	(581.46)	212.62
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Other Non Current Financial Liabilities	68.54	166.29
Other Non current Liabilities	(1,526.44)	4.26
Trade and other payables	(5,489.77)	1,714.49
Other Current Financial Liabilities (excluding current maturities of non current borrowings)	56.22	(3.68)
Current Provisions	(1,331.04)	97.76
Other Current Liabilities	795.30	(866.30)
Changes in Working Capital	7,424.22	1,480.77
Cash generated from Operations	818.86	1,277.10
Net income tax (paid) / refunds	(23.11)	(30.41)
Net Cash inflow from operating activities	795.75	1,246.69

Consolidated Cashflow Statement for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
B. Cash flow from investing activities		
Purchase of Property, Plant and Equipment including capital advances	(1,085.05)	(1,252.70)
Proceeds from disposal of Property, Plant and Equipment	510.61	733.64
Purchase of Intangible Assets including intangible under development	(67.12)	(72.45)
Sales Proceeds of investments	1,764.45	3,414.12
Deposits Matured / (Placed) with banks	657.12	81.49
Interest received	174.21	169.15
Dividend income	655.82	491.22
Rental Income on Investment Properties	519.60	483.26
Utility / business service / air-conditioning charges and other receipts in respect of investment property	837.64	829.83
Net cash inflow / (outflow) from investing activities	3,967.28	4,877.56
C. Cash flow from financing activities		
Non current Borrowings taken	275.94	718.23
Interest Paid	(2,995.41)	(3,177.55)
Non current borrowings repaid	(2,380.39)	(3,596.52)
Current borrowings taken / (repaid)	(558.17)	1,200.41
Dividend Paid including Dividend distribution tax	-	(335.04)
Net cash inflow / (outflow) from financing activities	(5,658.03)	(5,190.47)
Net Increase / (Decrease) in cash and cash equivalents	(895.00)	933.78
Cash and cash equivalents at the beginning of the year	1,915.02	981.24
Cash and cash equivalents at the end of the year	1,020.02	1,915.02

Notes:-

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.

The accompanying notes are an integral part of the 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 16, 2019

For and on behalf of the Board of Directors

H. A. Mafatlal
Chairman
(DIN:00009872)

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Chief Financial Officer

Mumbai, May 16, 2019

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S. A. Shah (DIN:00058019)
L. P. Pradhan (DIN:07118801)

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	Balance at the beginning of the reporting year	Changes in Equity Share Capital during the year	Balance at the end of the reporting year
As at March 31, 2018	1,391.22	-	1,391.22
As at March 31, 2019	1,391.22	-	1,391.22

Particulars	Attributable to equity holders of Mafatlal Industries Limited													
	Reserves and surplus													
	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	Other reserves	Total Other Equity Attributable to Owners	Non controlling Interests
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
Loss 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	3,726.22	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
Loss for the year	-	(18,007.04)	-	-	-	-	-	-	-	-	-	-	(18,007.04)	-
Charge for the year	-	-	-	-	-	-	-	-	-	30.94	-	-	30.94	-
Other comprehensive income	-	(150.25)	-	-	-	-	-	-	-	-	-	(11,015.13)	(11,165.38)	-
As at March 31, 2019	17,452.07	(14,431.07)	61.16	35.00	3,634.48	620.00	8,383.14	75.96	1.78	48.87	20.00	33,413.30	49,314.69	4.69

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L. P. Pradhan (DIN:07118801)

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Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

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) Second Amendments Rules, 2018] (the Rules) and other relevant provisions of the Act.

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) Second Amendment Rules, 2018 has notified the following new and amendments to Ind ASs.

The company is currently evaluating the impact of the standard and amendment on the financial position and results of operation.

iv. New amended standards adopted by the Company

Ind AS 115 - Revenue from Contracts with Customers

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, effective April 1, 2018, on a modified retrospective basis, applying the standard to all contracts that are not completed as such date. The adoption of Ind AS 115 did not have any significant financial impact and accordingly, no adjustments are made to the amounts recognised in the financial statements. The adoption has resulted in changes to accounting policies and mandated certain

(All amounts in ₹ Lakhs, unless stated otherwise)

disclosures. Refer Note no (b) below for accounting policies and note no.51(ii) for related disclosures.

v. Application of new and revised Ind AS's

(a) Ind AS 116 – Leases

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019.

Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of the right-of-use asset and a lease liability to pay rentals for virtually all lease contracts. An optional exemption exists for short term and low-value leases.

Where a contract meets Ind AS 116's definition of a lease, lease agreements will give rise to the recognition of a non-current asset representing the right to use the leased item, and a lease liability for future lease payables.

In the Statement of Profit and Loss, lessees will have to present interest expense on the lease liability and depreciation on the right-of-use asset. In the cash flow statement, cash payments for the principal portion of the lease liability and its related interest are classified within financing activities. Payments for short-term leases, leases of low-value assets and variable lease payments not included in the measurement of the lease liability are presented within operating activities.

The Company is in the process of evaluating the impact of adoption of Ind AS 116 on its financial statements and will accordingly consider the same from period beginning April 1, 2019.

(b) Other amendments

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified certain other amendments to Indian Accounting Standards (Ind AS), as below, as part of the Companies (Indian Accounting Standards) Second Amendment Rules, 2019. These other amendments come into force on 1 April 2019.

- (i) Appendix C, 'Uncertainty over Income Tax Treatments', to Ind AS 12, 'Income Taxes'
- The appendix explains how to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the

most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

- (ii) Plan Amendment, Curtailment or Settlement – Amendments to Ind AS 19, 'Employee Benefits'
- The amendments to Ind AS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. The Company must:
 - calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change;
 - any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling; and
 - separately recognize any changes in the asset ceiling through other comprehensive income.
- (iii) Ind AS 12, 'Income Taxes' - The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.
- (iv) Ind AS 23, 'Borrowing Costs' - The amendments clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The effective date for adoption of amendments as per Companies (Indian Accounting Standards) Second Amendment Rules, 2019 is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and is in the process of evaluating the impact on account of above amendment on its financial statements and will accordingly consider the same from period beginning April 1, 2019.

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 recognizes revenue when the control in the goods is transferred in favour of the customers and 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 the control 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 the 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.

g. Government grants

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. Leases

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 capitalisation 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. Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

r. 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.

s. 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.

t. 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 counter party.

u. 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 counter party 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.

v. 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.

w. 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.

x. 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.

y. **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 for certain employees, 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 makes contribution for certain employees whereas for some other employees the Group makes 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 recognised 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.

z. 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.

z1. Exceptional Items

The term 'Exceptional items' is neither defined in Ind AS Schedule III nor in Ind AS. However, Ind AS 1 has reference to such items in paras 85, 86, 97 and 98.

Para 85 states that additional line items, headings and subtotals in the statement of profit and loss shall be presented, when such presentation is relevant to an understanding of the entity's financial performance.

Further, para 86 states that disclosing the components of financial performance assists users in understanding the financial performance achieved and in making projections of future financial performance. An entity considers factors including materiality and the nature and function of the items of income and expense.

Para 97 states that when items of income or expense are material, an entity shall disclose their nature and amount separately.

Para 98 gives circumstances that would give rise to the separate disclosure of items of income and expense and includes:

- (a) Write-downs of inventories to net realisable value or of property, plant and equipment to recoverable amount, as well as reversals of such write-downs;

- (b) restructurings of the activities of an entity and reversals of any provisions for the costs of restructuring;
- (c) disposals of items of property, plant and equipment;
- (d) disposals of investments;
- (e) discontinued operations;
- (f) litigation settlements; and
- (g) other reversals of provisions.

Accordingly the Company has disclosed loss arising out of impairment of inventory, trade receivables and property, plant and equipment as loss arising out of exceptional items [Refer Note No. 34('c)].

aa. 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.

ab. 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.

ac. 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, 2019

(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, 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

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Leasehold improvements	Railway sidings	Total
Year ended March 31, 2019									
Gross carrying amount	46.33	3,018.11	31,110.91	617.10	323.09	526.48	149.00	0.13	35,791.15
Additions	-	421.29	1,143.44	114.72	20.08	23.58	-	-	1,723.11
Disposals	-	-	(213.72)	(148.96)	(64.01)	(7.11)	-	-	(433.80)
Transfer to assets held for sale [Refer Note (vi) below]	(3.18)	-	(19,799.32)	(264.21)	-	(61.63)	-	-	(20,128.34)
Transfers to Investment Properties [Refer Note 4]	(32.51)	-	-	-	-	-	-	-	(32.51)
Closing gross carrying amount	10.64	3,439.40	12,241.31	318.65	279.16	481.32	149.00	0.13	16,919.61
Accumulated depreciation									
Opening accumulated depreciation	-	211.56	6,051.41	115.67	87.48	168.50	60.52	-	6,695.14
Depreciation charge during the year	-	113.08	3,142.96	62.30	47.64	111.71	30.26	-	3,507.95
Disposals	-	-	(42.51)	(8.10)	(24.52)	(5.09)	-	-	(80.22)
Transfer to assets held for sale [Refer Note (vi) below]	-	-	(6,290.06)	(77.52)	-	(45.89)	-	-	(6,413.47)
Closing accumulated depreciation	-	324.64	2,861.80	92.35	110.60	229.23	90.78	-	3,709.40
Net carrying amount	10.64	3,114.76	9,379.51	226.30	168.56	252.09	58.22	0.13	13,210.21
Capital Work in Progress	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	13,210.21

Notes:

- Capital work-in-progress NIL Lakhs (March 31, 2018 - ₹ 657.64 Lakhs) includes other expenses of NIL (March 31, 2018 - ₹ 5.65 Lakhs) incurred towards capital projects.
- Refer to Note 47 for information on property, plant and equipment pledged as security by the Company.
- Refer to Note 43(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Building includes ₹ 12.86 Lakhs (As at March 31, 2018; ₹ 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.
- Refer to Note 21, Note 26 and Note 46 for government grant related to property, plant and equipment.
- Net Block of ₹ 13,711.69 Lakhs (As at March 31, 2018-NIL) is transferred to assets held for sale [Refer Note 17 and 34(c)]

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 4 - Investment Properties

Particulars	As at March 31, 2019	As at March 31, 2018
Gross carrying amount		
Gross carrying amount	266.35	266.35
Transfer from Property, plant and equipment (Refer Note 3)	32.51	-
Closing gross carrying amount	298.86	266.35
Accumulated depreciation		
Opening accumulated depreciation	7.76	3.88
Depreciation charge for the year	3.88	3.88
Closing accumulated depreciation	11.64	7.76
Net carrying amount	287.22	258.59

(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	As at March 31, 2019	As at March 31, 2018
Income from investment property [Refer Note 28 (a)]	1,357.24	1,313.09
Direct operating expenses towards income from investment property that generated income	(909.90)	(951.36)
Profit from investment properties before depreciation	447.34	361.73
Depreciation	(3.88)	(3.88)
Profit from investment properties	443.46	357.85

(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. With respect to non cancellable operating lease, the future minimum lease payment as at Balance Sheet date is as under (Refer Note 43):

Particulars	As at March 31, 2019	As at March 31, 2018
Within one year	103.51	181.44
Later than one year but not later than five years	45.11	14.48
Total	148.62	195.92

b) Finance leases

Investment property includes a land portion taken on lease by the Group for a period ranging from 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. The 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, 2019	As at March 31, 2018
Investment properties	12,831.73	12,795.40

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 Group is in the process of getting expired leases renewed in respect of Mazgaon and Lower Parel Land.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 5 - Intangible assets

Particulars	As at March 31, 2019	As at March 31, 2018
Gross carrying amount		
Gross carrying amount	554.75	97.35
Additions	5.14	457.40
Closing gross carrying amount	559.89	554.75
Accumulated amortisation		
Opening accumulated amortisation	113.91	35.28
Amortisation during the year	83.83	78.63
Closing accumulated amortisation	197.74	113.91
Net carrying amount*	362.15	440.84

* The computer software are other than internally generated.

(i) Intangible Assets under development

Intangible assets under development includes ₹ 61.98 Lakhs as at March 31, 2019 (March 31, 2018- NIL), towards development of accounting software.

Note 6 - Non-current investments

Particulars	As at March 31, 2019	As at March 31, 2018
(A) Investment in equity instruments (fully paid)		
(a) Other Companies measured at FVOCI		
<i>Quoted</i>		
79,920 (March 31, 2018 : 79,920) Equity shares of ₹ 10/- each of Stanrose Mafatlal Investments and Finance Limited	77.36	119.88
****83,700 (March 31, 2018 : 837,000) Equity shares of ₹ 10/- each (March 31, 2018- ₹ 1/- each) of Mangal Credit & Fincorp Limited	44.28	31.31
9,600 (March 31, 2018 : 9,600) Equity shares of ₹ 2/- each of Ultramarine and Pigments Limited	25.22	26.40
25,259,059 (March 31, 2018 : 26,007,919) Equity shares of ₹ 10/- each of NOCIL Limited \$	37,168.70	49,766.15
20 (March 31, 2018 : 20) Equity shares of ₹ 1/- each of Integra Engineering India Ltd	0.01	0.01
100 (March 31, 2018 : 100) Equity shares of ₹ 10/- each of Bank of India.	0.16	0.10
<i>Unquoted</i>		
45,000 (March 31, 2018 : 45,000) Equity shares of ₹ 10/- each of Cama Hotels Limited	@	@
1,600 (March 31, 2018 : 1,600) Equity shares of ₹ 10/- each of Hybrid Financial Services Limited\$**	@	@
Nil (March 31, 2018 : 2) Equity shares of ₹ 100/- each of Suremi Trading Private Limited	-	18.34
Nil (March 31, 2018 : 2) Equity shares of ₹ 100/- each of Mafatlal Impex Private Limited\$**	-	19.97
Nil (March 31, 2018 : 10,000) Equity shares of ₹ 10/- each of Arvi Associates Private Limited \$	-	113.10
116 (March 31, 2018 : 116) Equity shares of ₹ 10/- each of Anil Bioplus Limited (formerly known as Anil Biochem Limited)	@	@
1,240,000 (March 31, 2018 : 1,240,000) Equity shares of ₹ 10/- each of Mafatlal Global Apparel Limited	@	@
13,350 (March 31, 2018 : 13,350) Equity shares of ₹ 10/- each of Matcon Export Enterprises Limited	@	@
2,320 (March 31, 2018: 2,320) Equity shares of ₹ 10/- each of Anil Limited (formerly known as Anil Products Limited)	@	@

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	As at March 31, 2019	As at March 31, 2018
100 (March 31, 2018 : 100) Equity shares of ₹ 10/- each of Arlabs Limited	@	@
15,000 (March 31, 2018 : 15,000) Equity shares of ₹ 10/- each of Cellulose Products of India Limited	@	@
10 (March 31, 2018: 10) Equity shares of ₹ 25/- each of Universal Dyestuff Industries Limited	@	@
5,870 (March 31, 2018 : 5,870) Equity shares of ₹ 100/- each of SLM Maneklal Industries Limited	@	@
30,000 (March 31, 2018 : 30,000) Equity shares of ₹ 10/- each of Mafatlal Medical Devices Limited	@	@
62,500 (March 31, 2018: 62,500) Equity shares of ₹ 100/- each of Janata Sahakari Bank Limited####	62.50	62.50
100 (March 31, 2018 : 100) Equity shares of ₹ 25/- each of Shamrao Vithal Co-Operative Bank Limited####	0.03	0.03
5 (March 31, 2018 : 5) Shares of ₹ 50/- each of Sea- Face Park Co-op Housing Society Limited	@	@
<i>Unquoted</i>		
146,364 (March 31, 2018 : 146,364) Equity shares of ₹ 100/- each of Mafatlal Engineering Industries Ltd###	@	@
23,700 (March 31, 2018 : 23,700) Equity shares of ₹ 10/-each of Mafatlal Ltd, UK.##	@	@
(B) Investments in Government securities		
<i>Unquoted - At amortised cost</i>		
Government securities (Face value of ₹ 2.89 Lakhs) have been lodged with various authorities	2.89	2.89
(C) Investment in debentures and bonds		
<i>Unquoted - At amortised cost</i>		
165,000 (March 31, 2018 : 165,000) 10% Secured Redeemable Convertible Debentures of Mafatlal Engineering Industries Ltd ##	@	@
2,050 (March 31, 2017 : 2,050) Corporate Bonds of Housing Development Finance Corporation Limited:11% - Series IV #	-	-
Total	37,381.15	50,160.68
Total non-current investments		
Aggregate amount of quoted investments and market value thereof	37,315.73	49,943.85
Aggregate amount of unquoted investments	65.42	216.83
	37,381.15	50,160.68

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

\$\$ 90,21,062 (Previous year 71,36,667) Equity Shares pledged with banks. Refer Note 47 for Assets pledged.

** Not available for physical verification

****Shares of F.V. ₹ 1 each has been Consolidated into shares of ₹10 each.

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.

@@ Under liquidation.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 7 - Non-current loans

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Unsecured, Considered good</i>		
Government Grants Receivable	114.88	566.29
Others	0.55	156.11
Total	115.43	722.40

Refer Note 38 for information about credit risk and market risk for loans.

Note 8 - Other non-current financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits	471.19	507.18
Deposits with banks (with maturity period of more than 12 months)		
(i) Deposits with Banks	63.32	52.10
(ii) Balances held as security/margin money *	225.32	140.94
(iii) Balances with Banks in earmarked accounts	382.99	1,135.71
Total	1,142.82	1,835.93

*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, 2019	As at March 31, 2018
<i>Unsecured, Considered good</i>		
Capital advances	9.22	11.18
Deposits with government authorities	398.61	398.61
Lease rent/utilities equalisation of income	90.39	72.25
<i>Unsecured, considered doubtful</i>		
Balances with government authorities	31.45	31.45
Less: Provision for doubtful advance	(31.45)	(31.45)
Total	498.22	482.04

Note 10 - Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	1,126.65	1,890.21
Work-in-progress	3,953.85	6,339.20
Finished goods	3,406.60	5,020.68
Stock-in-trade [Includes goods in transit ₹ 256.46 Lakhs (March 2018; NIL)]	1,383.07	2,128.47
Stores and spares	564.40	826.52
Others (Land) [Refer Note 51 (ii)]	61.97	61.97
Total	10,496.54	16,267.05

Amounts recognised in the Statement of Profit and Loss

Write-downs of inventories to net realisable value amounted to ₹ 2,195.74 Lakhs (March 31, 2018 – ₹ 277.46 Lakhs), out of which ₹ 1,768.90 Lakhs transfer to exceptional items (March 31, 2018 - NIL) which is disclosed in Note 34(c). Remaining amount 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.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 11(a) Non-current Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables (unsecured, considered good)	33.20	33.20
Total Trade Receivables	33.20	33.20

Note 11(b) Current- Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables	20,330.20	28,830.93
Receivables from related parties (Refer Note 41)	4.02	1.23
Less: Allowance for doubtful debts (Refer Note 38)	(382.80)	(213.17)
Less : Allowance for doubtful debts [Refer Note 34 (c)]	(388.62)	-
Total receivables	19,562.80	28,618.99
<i>Unsecured, considered good</i>	19,562.80	28,618.99
Doubtful	771.42	213.17
Less: Allowance for doubtful debts	(771.42)	(213.17)
Total Trade Receivables	19,562.80	28,618.99

Break up of security details

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables considered good- Secured	-	-
Trade receivables considered good- Unsecured	20,334.23	28,832.16
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Total	20,334.23	28,832.16
Loss allowance	(771.42)	(213.17)
Total trade receivables	19,562.81	28,618.99
<i>Note :- Trade receivables with Private companies in which atleast one of the directors is a director or member:</i>		
Arvi Associates Private Ltd	-	0.38
Gayatri Pesticem Manufacturing Private Limited	-	0.03
Total	-	0.41

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:

Particulars	As at March 31, 2019	As at March 31, 2018
Total transferred receivables	372.48	1,072.70
Associated secured borrowings (Refer Note 22)	(372.48)	(1,072.70)
Total	-	-

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

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 12 - Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	14.57	15.40
Cheques on hand	-	155.63
Balances with banks:		
(i) In Current accounts	955.45	1,293.34
(ii) In Deposit accounts (with less than 3 months original maturity)	50.00	450.65
Total	1,020.02	1,915.02

Note 13 - Other bank balances

Particulars	As at March 31, 2019	As at March 31, 2018
Deposits with original maturity of more than 3 months but less than 12 months	7.44	7.40
In earmarked accounts		
(i) Balances held as margin money or security against borrowings, guarantees and other commitments	673.97	630.42
(ii) Unclaimed dividend accounts	35.29	28.56
Others		
(i) Balance in Fixed Deposits	163.30	983.80
(ii) Balance in Escrow Current account (Refer Note below)	27.46	1.87
Total	907.46	1,652.05

Note:

Balance in Escrow Current account of ₹ 1.87 Lakhs (March 31, 2018 ₹ 1.87 Lakhs) is operated under the supervision of Monitoring Committee constituted by the Government of Maharashtra, under Development Control Regulations, 1991 and remaining balance in Escrow Current account of ₹ 25.59 Lakhs (March 31, 2018-NIL) is with a financial institution.

Note 14 - Current loans

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Unsecured, considered good</i>		
Loans to employees	4.16	8.25
Others Loan	-	0.92
Total	4.16	9.17

Note 15 - Other current financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits	324.54	315.32
Others	-	12.69
Total	324.54	328.01

Note 16 - Other current assets

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Unsecured, considered good</i>		
Prepaid expenses	259.76	384.89
Balances with government authorities		
(i) Export and Modvat Benefit receivable	593.84	771.39
(ii) Goods and service tax receivables	2,339.56	1,513.45
(iii) Interest subsidy receivable (TUFS)	191.00	270.83
Advance to Suppliers	802.49	659.02
Others	82.89	86.86
Total	4,269.54	3,686.44

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 17 - Assets held for sale

Particulars	As at March 31, 2019	As at March 31, 2018
Assets classified as held for sale		
- Plant and Machinery (Refer Note below)	7,850.09	-
- Land	3.18	-
Total	7,853.27	-

Note:

Also Refer the Note 19 for details of hypothecation / Charges created on assets pertaining to Navsari location.

Note 18 - Share capital and other equity
18(a) - Equity share capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	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
Unclassified Shares of ₹ 10/- each	85,754,919	8,575.49	85,754,919	8,575.49
	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
(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
Less: Allotment money/ Calls in arrears	-	(0.06)	-	(0.06)
Total	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)
Balance as at April 01, 2017	13,912,886	1,391.22
Issued during the year	-	-
Balance as at March 31, 2018	13,912,886	1,391.22
Issued during the year	-	-
Balance as at March 31, 2019	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 dividend 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, 2019		As at March 31, 2018	
	Number of shares	% Holding	Number of shares	% Holding
H. A. Mafatlal	3,176,150	22.83%	3,176,150	22.83%
NOCIL Limited	1,954,695	14.05%	1,954,695	14.05%
Suremi Trading Private Limited	3,093,047	22.23%	3,093,047	22.23%
Rekha H. Mafatlal	804,283	5.78%	804,283	5.78%

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(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:

Particulars	Numbers	(₹ in Lakhs)
As at March 31, 2014	60,000,000	6,000.00

- (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, 2019	As at March 31, 2018
Calls Unpaid	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. 3,181 and 3,182 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, 2019	As at March 31, 2018
Securities premium	17,452.07	17,452.07
Retained earnings	(14,431.07)	3,726.22
General Reserve	620.00	620.00
Capital reserve No. 1	61.16	61.16
Capital reserve No. 2	35.00	35.00
Capital Reserve on Amalgamation	3,634.48	3,634.48
Capital redemption reserve	8,383.14	8,383.14
Capital Investment Reserve	75.96	75.96
Investment Reserve	1.78	1.78
ESOP Reserve	48.87	17.93
Export Profit Reserve	20.00	20.00
Other reserves:		
FVOCI - Equity instruments	33,413.30	44,428.43
Total	49,314.69	78,456.17

- (i) Securities Premium

Securities Premium is used to record the premium on issue of shares. This is utilised in accordance with the provisions of the Act.

Particulars	As at March 31, 2019	As at March 31, 2018
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, 2019	As at March 31, 2018
Balance at the beginning of the year	3,726.22	8,206.40
Less : Loss for the year	(18,007.04)	(4,177.82)
Less: Dividend and Dividend Distribution Tax	-	(334.90)
Other comprehensive income	(150.25)	32.54
Balance at the end of the year	(14,431.07)	3,726.22

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

 (iii) *General Reserve*

Particulars	As at March 31, 2019	As at March 31, 2018
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 provisions of the Act.

Particulars	As at March 31, 2019	As at March 31, 2018
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, 2019	As at March 31, 2018
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, 2019	As at March 31, 2018
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, 2019	As at March 31, 2018
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) *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, 2019	As at March 31, 2018
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

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

(ix) Investment Reserve

The said reserve has arisen on account of amalgamation with Mafatlal Gagalbhai and Company Private Limited.

Particulars	As at March 31, 2019	As at March 31, 2018
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

(x) ESOP Reserve

The said reserve has arisen on account of ESOP scheme announced by the Group.

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	17.93	-
Add:- Movement during the year	30.94	17.93
Balance at the end of the year	48.87	17.93

(xi) Export Profit Reserve

The said reserve has arisen due to amalgamation with The Mafatlal Fine Spinning and Manufacturing Co. Ltd.

Particulars	As at March 31, 2019	As at March 31, 2018
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

(xii) 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, 2019	As at March 31, 2018
Balance at the beginning of the year	44,428.43	19,076.89
Add:- Change in fair value of FVOCI equity instruments	(11,015.13)	25,351.54
Balance at the end of the year	33,413.30	44,428.43

Note 19 - Non- current borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Term Loans		
(a) From Banks [Refer Note (i),(ii), (iii),(iv) below]	4,419.80	6,461.99
(b) For vehicle loans [Refer Note no.(v) below]	40.55	67.53
(c) From financial institutions [Refer Note no.(vi) and (vii) below]	1,173.39	1,504.01
Total	5,633.74	8,033.53

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

(i) Term loan from a Bank, amounting to ₹ 2,638.89 Lakhs (March 31, 2018 ₹ 3,584.00 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 in the range of 12.05 % to 16.65 % p.a. (March 31, 2018 12.25% p.a.)
(ii) Term loan from a Bank, amounting to ₹ 1,202.06 Lakhs (March 31, 2018 ₹ 1,708.60 Lakhs) is secured by mortgage of an immovable asset at Nadiad and exclusive first charge on Fixed Assets acquired out of the said loan from Bank at Navsari Plant and pledge over 5,10,000 shares of NOCIL Limited.	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 in the range of 12.50% to 12.65 % p.a. (March 31, 2018 12.50% p.a.).
(iii) Term loan from a Bank, amounting to ₹ 1,348.26 Lakhs (March 31, 2018 ₹ 1,841.99 Lakhs) is secured by mortgage of an 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 in the range of 12.50% to 13.25 % p.a. (March 31, 2018 12.25% p.a.). Repayable in 60 installments beginning from December 2016 till November 2021.
(iv) Term loan from a Bank, amounting to ₹ 1,279.72 Lakhs (March 31, 2018 ₹ 1,446.45 Lakhs) is secured exclusive by mortgage/ hypothecation of immovable asset at Mumbai.	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, 2018 10.20% p.a.).
(v) Loans from a Bank, amounting to ₹ 77.17 Lakhs (March 31, 2018 ₹ 106.91 Lakhs) 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. (March 31, 2018 10.50% to 11% p.a.).
(vi) Term loan from a financial institution, amounting to ₹ 837.01 Lakhs (March 31, 2018 ₹ 1,137 Lakhs) is secured by mortgage of an immovable asset at Nadiad and exclusive first charge on Fixed Assets acquired out of the said loan from Financial institution at Nadiad Plant and pledge by promoters / promoter companies of certain shareholding in the Company.	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 in the range of 11.30% to 11.80% p.a. (March 31, 2018 11.75% p.a.).
(vii) Term loan from a financial institution, amounting to ₹ 926.38 Lakhs (March 31, 2018 - ₹ 667 Lakhs) is secured by charge on movable fixed assets acquired out of said 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 Limited and a lien on term deposit. (Also Refer Note 13)	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 in the range of 11.30% to 11.60% p.a. (March 31, 2018 11.75% p.a.).

The amounts mentioned include installments falling due within a year aggregating to ₹ 2,675.75 Lakhs (March 31, 2018: ₹ 2,380.39 Lakhs) have been grouped under "Current maturities of long-term debt" [Refer Note 24]

* 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, 2019	As at March 31, 2018
Trade / Security deposits	307.18	284.91
Interest accrued on others [Refer Note 51 (i)]	283.82	237.46
Other Advances	4.79	4.79
Total	595.79	527.16

Note 21 - Other non-current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Income on Government Grant (Refer Note 46)	544.16	2,655.91
Total	544.16	2,655.91

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 22 - Current borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Loans repayable on demand		
From Banks		
Cash credit*	10,065.19	11,873.14
Factored receivables (Refer Note 11)	372.48	1,072.70
From Financial Institution		
Working capital loan	1,950.00	-
Total	12,387.67	12,945.84

* 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 @ 10.15% to 14.00 % p.a. (March 31, 2018 11.15% to 12.50 % p.a.).

Refer Note 47 for Assets pledged as security.

Note 23 - Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises; and	8.79	273.81
Total outstanding dues of creditors other than micro enterprises and small enterprises	21,474.89	26,699.89
Total	21,483.68	26,973.70

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, 2019	As at March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	8.79	273.81
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	36.17	11.95
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	698.81	-
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	24.22	11.95
Further interest remaining due and payable for earlier years	11.95	-

Note 24 - Other current financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term debt (Refer Note 19)		
(i) From Banks	2,049.13	2,041.01
(ii) For vehicle loans	36.62	39.38
(iii) From financial institutions	590.00	300.00
Other advances [Refer Note 51(i)]	577.89	578.81
Interest accrued but not due on borrowings	89.31	65.85
Unclaimed dividends*	35.29	28.56
Trade payables for capital assets	49.33	97.49
Trade / Security deposits	-	50.00
Derivative financial liabilities		
Foreign-exchange forward contracts	-	6.22
Total	3,427.57	3,207.32

*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.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 25 - Current provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits:		
(i) Provision for Compensated absences (Refer Note 40)	583.50	682.69
(ii) Provision for Gratuity (Refer Note 40)	343.30	205.50
Other Provisions		
(i) Provision for Fringe Benefit Tax [net of advance tax ₹ 39.05 Lakhs (As at March 31, 2018 ₹ 39.05 Lakhs)]	0.40	0.40
(ii) Provision for Wealth Tax (net)	0.11	0.11
Total	927.31	888.70

Note 26 - Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Payment towards Statutory liabilities	570.00	622.42
Advances from customers [Refer Note 53(ii)]	526.48	1,285.77
Employee Benefits Payable	2,056.55	971.52
Lease rent / utilities equalisation on expense	109.38	90.17
Deferred Income on Government Grant (Refer Note 46)	142.48	500.72
Others	156.30	322.48
Total	3,561.19	3,793.08

Note 27 - Revenue from operations

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of products	101,723.93	115,552.36
Other operating revenues		
Income from waste / scrap sale	331.94	402.33
Processing income	-	7.56
Duty drawback and other export incentives	329.49	811.34
Total revenue from operations	102,385.36	116,773.59

Note 28(a) - Other income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income on Financial Assets At Amortised Cost	174.21	168.66
Interest Income on Income Tax refund	32.69	21.56
Rental income from investment property	519.60	483.26
Utility / business service / air-conditioning charges and other receipts in respect of investment property	837.64	829.83
Dividend income from equity investments designated at fair value through other comprehensive income *	655.82	491.22
Apportioned Income from Government Grant #	487.60	511.06
Miscellaneous income	85.29	114.63
Total	2,792.85	2,620.22

* 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, 2019 (Refer Note 46).

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 28(b) - Other gains/(losses)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net gain on disposal of Property, Plant and Equipment (Refer Note 3)	157.03	715.56
Net foreign exchange differences	140.45	149.48
Derivatives at FVPL	-	(5.70)
Net gain/(loss) on sale of Investments	-	(189.48)
Total	297.48	669.86

Note 29 - Cost of materials consumed

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Raw materials consumed	33,112.92	39,172.50
Less : Transfer to exceptional items [Refer Note 34(c)]	(486.82)	-
Total	32,626.10	39,172.50

Note 30 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Inventories at the end of the year		
Finished goods	3,406.60	5,020.68
Work-in-progress	3,953.85	6,339.20
Stock-in-trade (Traded goods)	1,383.07	2,128.47
Inventories at the beginning 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
	4,744.83	1,081.54
Less : Transfer to exceptional items [Refer Note 34 (c)]	(921.69)	-
Total	3,823.14	1,081.54

Note 31 - Employee benefits expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	10,833.43	12,017.21
Contributions to provident and other funds	622.76	755.84
Gratuity expenses (Refer Note 40)	186.15	207.73
Staff welfare expenses	383.76	470.64
Employee share-based payment expense (Refer Note 37)	30.94	17.93
Total	12,057.04	13,469.35

Note 32 - Finance costs (Net)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest expense on :-		
Borrowings [Refer Note (a) and (b) below]	2,533.47	2,683.77
Trade payables	295.90	220.56
Others	91.50	185.03
Other borrowing costs	97.99	19.18
Total	3,018.86	3,108.54

Note (a):

The interest subsidy for the year on the Term Loans availed under the Technology Upgradation Fund Scheme (TUFS) is ₹ 89.03 Lakhs (March 31, 2018 ₹ 135.08 Lakhs) and the same has been netted off from interest expense.

Note (b):

Finance costs are net of interest of ₹ 97.76 Lakhs (March 31, 2018 ₹ 51.32 Lakhs) capitalised in fixed assets.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 33 - Depreciation and amortisation expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on property, plant and equipment (Refer Note 3)	3,507.95	3,528.08
Amortisation on intangible assets (Refer Note 5)	83.83	78.63
Depreciation on investment property (Refer Note 4)	3.88	3.88
Total	3,595.66	3,610.59

Note 34 - Other expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of stores and spare parts	6,822.35	8,159.17
Processing charges	2,048.77	1,793.02
Power and fuel	7,723.95	9,119.13
Repairs and maintenance - Buildings	71.54	82.58
Repairs and maintenance - Machinery	199.72	255.94
Repairs and maintenance - Others	78.71	83.82
Insurance	122.16	73.84
Lease rent [Refer Note 43(b)]	306.92	334.05
Rates and taxes	142.54	111.09
Transport and freight charges (net)	724.98	847.52
Expenditure on corporate social responsibility [Refer Note 34(b)]	-	2.21
Donations and Charities	1.21	0.62
Bad trade and other receivables / loans and advances written off (net)	2.35	176.41
Provision for doubtful trade receivables and loans and advances (net)	224.11	31.02
Legal and professional fees	867.34	789.90
Payments to auditors [Refer Note 34(a)]	53.32	67.65
Directors' fees [Refer Note 41]	58.10	61.95
Miscellaneous expenses	3,081.64	3,535.07
Total	22,529.71	25,524.99

Note 34 (a) - Details of payment to auditors

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Payment to the auditors		
Audit fees	35.15	35.15
For other services	17.00	31.15
Reimbursement of expenses	1.17	1.35
Total	53.32	67.65

Note 34 (b) - Corporate social responsibility

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a)Gross amount required to be spent by the Company as per Section 135 of the Act	-	-
(b) Amount spent during the year on:-	-	2.21
	In Cash	Yet to be paid in cash
For the year March 31, 2019		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	-	-
For the year March 31, 2018		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	2.21	-

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 34 (c) - Exceptional items

The financial performance for the current and previous year reflects a Loss before exceptional items and tax. In order to curtail losses, the Company has undertaken certain strategic initiatives. As part of these initiatives, it has decided to substantially scale down its denim operations. Consequently, the Company, after reviewing the utilisation of Property, Plant and Equipment, employee strength and carrying value of certain current/non-current assets relating to denim operations, has decided to take the undernoted write-downs / provisions as exceptional items:-

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Property, Plant and Equipment [Net of All Associated cost]* (Refer Note 3)	3,925.43	-
Write-down of current assets / non-current assets [Includes inventories, select receivables and other assets (Refer Note 10 and 11)]	2,608.92	-
One-time employee liabilities	1,827.45	-
Total	8,361.80	-

* Balance realisable value is classified as "Assets held for Sale"

After implementation of the above strategic initiatives, and based on business plan for the coming years, the Company anticipates an improved financial position in future.

Note 35 - Taxation

35(a) - Income tax expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax	34.944%	34.944%
Current tax on (Loss) / Profits for the year	-	-
Total current tax expense	-	-
Deferred tax		
(Decrease)/increase in deferred tax assets	-	17.00
Decrease/(increase) in deferred tax liabilities	-	-
Total deferred tax expense/(credit)	-	17.00
Income tax expense	-	17.00

35(b) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Loss for the year	(18,007.04)	(4,194.82)
Statutory income tax rate applicable to Mafatlal Industries Limited	34.944%	34.944%
Tax expense at applicable tax rate	(6,292.38)	(1,465.84)
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income		
Expenses not deductible for tax purposes	(2,943.03)	(75.71)
Weighted Deduction allowed	18.07	16.06
Exempt Income	229.17	201.22
Tax losses for which no deferred tax recognised	(3,535.28)	(1,565.71)
Others	(61.31)	(24.70)
Income tax expense as per the Statement of Profit and Loss	-	17.00

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:

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	Year ended March 31, 2019	As at March 31, 2018
Provision for doubtful debts / advances (net)	-	73.91
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	-	421.61
Unabsorbed depreciation	3,828.66	4,848.56
Investment property	-	2.61
Others	-	5.63
Total deferred tax assets	3,828.66	5,352.32
Deferred Tax Liability		
On difference between book balance and tax balance of fixed assets	(2,600.70)	(4,124.36)
Others	-	-
Total deferred tax assets	1,227.96	1,227.96

Movement in deferred tax (assets)/liabilities

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
Deferred 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

Particulars	As at March 31, 2018	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2019
Provision for doubtful debts / advances (net)	73.91	(73.91)	-	-
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	421.61	(421.61)	-	-
Unabsorbed depreciation	4,848.56	(1,019.90)	-	3,828.66
Deferred 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	(4,124.36)	1,523.66	-	(2,600.70)
Others	5.63	(5.63)	-	-
Total deferred tax assets	1,227.96	-	-	1,227.96

The Group has recognised the Deferred Tax Asset on unabsorbed depreciation of earlier years. During the year the Group has undertaken certain strategic initiatives to which will results in cost reduction in future [Refer Note 34(c)]. They relate to one off the cost of integrating the operations and are not expected to recur in near future. The Group has concluded that the deferred tax assets will be recoverable partially compensated by decrease in deferred tax liabilities and excess will be recovered using estimated future taxable income. Further, unabsorbed depreciation can be carried forward for infinite period as per tax regulations.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

35(e) - Tax losses

The Group has not created deferred tax asset on the following tax losses:-

Particulars	As at March 31, 2019	As at March 31, 2018
Short Term Capital Loss	455.93	455.93
Potential tax benefit @ 34.944% (a)	159.32	159.32
Long Term Capital Loss	2,076.15	1,338.24
Potential tax benefit @ 23.30% (b)	483.74	311.81
Unabsorbed brought forward depreciation / business losses	3,535.28	1,565.71
Potential tax benefit @ 34.944% (c)	1,235.37	547.12
Minimum Alternate Tax	2,702.53	2,702.53
Potential tax benefit @ 21.55% (d)	582.40	582.40
Total Potential tax benefit [(a)+(b)+(c)+(d)]	2,460.83	1,600.65

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, 2019	As at March 31, 2018
Income Tax asset		
[Net of Provision of Tax ₹ 12,638.33 Lakhs, (March 31, 2018: ₹12,023.16 Lakhs),	1,831.26	1,770.86

35(h)-Current Tax Liabilities (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Tax liabilities		
[Net of Advance Tax ₹ 1,051.79 Lakhs, (March 31, 2018: ₹ 1,671.56 Lakhs)]	290.16	285.56

Note 36 - Fair value measurements

Financial instruments by category

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments in Equity instruments	-	37,315.73	65.42	-	50,095.26	65.42
Cash and bank balances	-	-	1,927.48	-	-	3,567.07
Loans	-	-	119.59	-	-	731.57
Security deposits	-	-	795.73	-	-	822.50
Bank deposits with more than 12 months maturity	-	-	671.63	-	-	1,328.75
Trade receivables	-	-	19,562.80	-	-	28,618.99
Others	-	-	-	-	-	12.69
Total financial assets	-	37,315.73	23,142.65	-	50,095.26	35,146.99
Financial liabilities						
Borrowings	-	-	20,697.16	-	-	23,359.76
Trade / Security deposits received	-	-	307.18	-	-	334.91
Trade payables	-	-	21,483.68	-	-	26,973.70
Trade payables for capital assets	-	-	49.33	-	-	97.49
Interest accrued but not due on borrowings	-	-	89.31	-	-	65.85
Interest accrued on others	-	-	283.82	-	-	237.46
Other advances	-	-	582.68	-	-	583.60
Unclaimed dividends	-	-	35.29	-	-	28.56
Derivative instruments	-	-	-	6.22	-	-
Total financial liabilities	-	-	43,528.45	6.22	-	51,681.33

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

Financial Assets and Liabilities measured at fair values - recurring fair value measurements	Level 1	Level 2	Total
As at March 31, 2019			
Quoted Equity investments measured at Fair value	37,315.73	-	37,315.73
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)

Financial Assets and Financial Liabilities measured at Amortised cost for which fair values are disclosed - Level 3	As at March 31, 2019		As at March 31, 2018	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Investments in Government securities	2.89	2.89	2.89	2.89
Investments in Unquoted Shares	62.53	62.53	62.53	62.53
Loans	115.43	115.43	722.40	722.40
Security deposits	471.19	471.19	507.18	507.18
Bank deposits with more than 12 months maturity	671.63	671.63	1,328.75	1,328.75
Liabilities				
Borrowings	5,633.74	5,633.74	8,033.53	8,033.53
Trade / Security deposits received	307.18	307.18	284.91	284.91
Other financial liabilities	283.82	283.82	237.46	237.46

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 value.

Financial Assets and Financial Liabilities measured at fair values - Level 3	As at March 31, 2019	As at March 31, 2018
Assets		
Investments in Unquoted Shares - FVPL	-	-
Investments in Unquoted Shares - FVOCI	-	151.41

(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 Group 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 date

(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.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

The main level 3 inputs used by the group are derived and evaluated as follows:

- 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.
- Risk adjustments specific to the counter parties (including assumptions about credit default rates) are derived from credit risk grading determined by the Group'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 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 Company at their meeting held on May 5, 2017 and finalised on August 10, 2017. At the Annual General Meeting held on August 02, 2017, the shareholders had approved the creation of employee stock option pool of 695,000 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 & Remuneration Committee (NRC) will administer the ESOS. On November 10, 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 exercisable 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	-	128,000
Granted during the year	-	-
Exercised during the year	-	-
Forfeited during the year	322.70	56,000
Closing Balance	-	72,000
Vested and exercisable	-	-

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 (₹)	Share options March 31, 2019	Fair value of options (₹)
10-Nov-17	10-Nov-18	10-Nov-22	322.70	10,800	108.92
10-Nov-17	10-Nov-19	10-Nov-23	322.70	14,400	126.71
10-Nov-17	10-Nov-20	10-Nov-24	322.70	21,600	146.18
10-Nov-17	10-Nov-21	10-Nov-25	322.70	25,200	156.18
Total				72,000	

(i) Fair Value of options granted

The weighted average fair value at grant date of options granted during the year ended March 31, 2019 was ₹ 140.20 per option (March 31, 2018 - ₹ 145.78). 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, 2019 included:-

- options are granted for no consideration and vest upon completion of service for a period of 1-4 years. Vested options are exercisable for a period of four years after vesting.
- exercise price: ₹ 322.70
- grant date: November 10, 2017
- expiry date: November 10, 2022 - November 10, 2025

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

- (e) share price at grant date: ₹ 314.10
- (f) expected price volatility of the Company'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 benefits expense were as follows:-

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Employee option plan	30.94	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 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 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 Group based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

As at March 31, 2019	Note	Carrying amount	Less than 12 months	1 year to 3 years	More than 3 years
Borrowings	19,22 and 24	20,697.16	15,063.42	5,318.82	314.92
Interest accrued but not due on borrowings	24	89.31	89.31	-	-
Trade payables	23	21,484.91	21,484.91	-	-
Trade / Security deposits	20	307.18	-	307.18	-
Trade payables for capital assets	24	49.33	49.33	-	-
Interest accrued on others	20	283.82	-	283.82	-
Other liabilities	24	613.18	613.18	-	-
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	-	-

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

(B) Management of market risk

The size and operations of the Group results 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 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		
<p>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.</p> <p>Equity price risk is related to the change in market reference price of the investments in equity securities.</p> <p>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, 2019 is ₹ 37,315.73 Lakhs (March 31, 2018: ₹ 49,943.85 Lakhs).</p>	<p>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.</p> <p>Any new investment or divestment must be approved by the Board of Directors, Chief Financial Officer and Risk Management Committee.</p>	<p>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:</p> <p>For equity instruments, a 5% increase in Sensex prices would have led to approximately an additional ₹ 1929.60 Lakhs gain (March 31, 2018- ₹ 2,497.18 Lakhs gain). A 5% decrease in Sensex prices would have led to an equal but opposite effect.</p>
ii) Interest rate risk		
<p>Financial liabilities</p> <p>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.</p> <p>As at March 31, 2019, the exposure to interest rate risk due to variable interest rate borrowings amounted to ₹ 20,697.16 Lakhs (March 31, 2018: ₹ 23,359.76 Lakhs)</p>	<p>The Group monitors fluctuations in interest rate continuously and has laid policies and guidelines including to minimise impact of interest rate risk.</p>	<p>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 of ₹ 53.08 Lakhs (March 31, 2018: ₹ 55.91 Lakhs additional loss). A 25 bps decrease in interest rates would have led to an equal but opposite effect.</p>
iii) Commodity risk		
<p>Commodities form a major part of the raw materials required for 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.</p>	<p>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.</p> <p>Group has managed the commodity risk with appropriate hedging activities in accordance with policies of the Group. The aim of the Group's approach to manage commodity risk is to leave the Group with 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.</p>	<p>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.</p> <p>A 5% strengthening of the respective futures would result in additional loss / gain of NIL (March 31, 2018 - NIL) impact on profit and equity. This analysis assumes that all other variables remain constant.</p> <p>A 5% weakening of the futures would have led to an equal but opposite effect.</p>

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

Potential impact of risk	Management policy	Sensitivity to risk
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.	<p>The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD, EURO, GBP and AED.</p> <p>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.</p> <p>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.</p>	<p>As an estimation of the approximate impact of the foreign exchange rate risk, with respect to Financial Statements, the Group has calculated the following:</p> <p>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 ₹ 74.91 Lakhs (March 31,2018: gain of ₹ 162.39 Lakhs). A 5% decrease would have led to an equal but opposite effect.</p>

Foreign currency risk exposure:

The details of forward contracts outstanding as at the balance sheet date are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Import contracts		
USD	-	-
Export contracts		
USD	-	1,800,000

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

As at March 31, 2019		As at March 31, 2018	
Receivable/ Payable	Receivable/ Payable in Foreign currency	Receivable/ Payable	Receivable/ Payable in Foreign currency
₹ in Lakhs	(Amount in Foreign currency) (in Lakhs)	₹ in Lakhs	(Amount in Foreign currency) (in Lakhs)
Receivable		Receivable	
1,656.81	USD 23.957	2,573.68	USD 39.71
93.91	AED 4.99	11.96	AED 0.71
27.11	EURO 0.35	33.44	EURO 0.41
78.17	GBP 0.86	0.25	GBP 0.0027
Payable		Payable	
357.81	USD 5.174	543.61	USD 8.36
-	-	4.08	EURO 0.05

(C) Management of credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter party fails to meet its contractual obligations.

Trade receivables

Concentration 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 forward-looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counter party,
- Financial or economic conditions that are expected to cause a significant change to the counter party's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counter party.
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

In furtherance to above, the Group has assessed the impact of the simplified approach permitted by Ind AS 109 financial instruments, which requires expected lifetime losses to be recognised in respect of trade receivables. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the micro economic indicators affecting customers of the Group have not undergone any substantial change, the Group expect the historical trend of minimal credit losses to continued.

Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks. The Group has a diversified portfolio of investment with various number of counter parties which have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counter party 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 assets 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 recognised 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.

Description	March 31, 2019	March 31, 2018
Total Borrowings	18,769.68	19,792.69
Total Equity	50,710.60	79,852.08
Net Debt to equity ratio	0.37	0.25

(b) Dividends

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<u>Equity shares</u>		
Final dividend for the year ended March 31, 2018-NIL (March 31, 2017 ₹ 2/- per fully paid share)	-	278.26
Dividend Distribution Tax on final dividend	-	56.64

Note 40 - Employee benefit obligations

Particulars	As at March 31, 2019	As at March 31, 2018
Compensated Absences (Refer Note 25)	582.61	682.15
Gratuity (Refer Note 25)	342.47	205.19
Total	925.08	887.34

(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, 2019	As at March 31, 2018
Current leave obligations not expected to be settled within the next 12 months	421.65	471.58

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

(ii) Post employment obligations
(a) Defined Contribution Plans:

The Group 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 Group has recognised contribution to these funds aggregating to ₹ 620.87 Lakhs (March 31, 2018- ₹ 755.84 Lakhs) (Refer Note 31).

(b) Defined Benefit Plans:
Gratuity

The Group provides for gratuity for employees as per the Group 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 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 Corporation ('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 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 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, 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
<i>Remeasurements</i>			
Return on plan assets, excluding amount included in interest expense/(income)	-	31.15	(31.15)
(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
As on April 01, 2018	3,103.76	2,898.57	205.19
Interest Expense/(Income)	243.10	226.98	16.12
Current Service Cost	170.03	-	170.03
Past Service Cost	-	-	-
Total Amount Recognised in the Statement of Profit and Loss	413.13	226.98	186.15

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<i>Remeasurements</i>			
Return on plan assets, excluding amount included in interest expense/(income)	-	(10.79)	10.79
(Gain)/loss from change in financial assumptions	76.59	-	76.59
Experience (gains)/losses	62.87	-	62.87
Total Amount Recognised in Other Comprehensive Income	139.46	(10.79)	150.25
Employer Contributions	-	199.12	(199.12)
Benefit Payments	(984.47)	(984.47)	-
Balance as on March 31, 2019	2,671.88	2,329.41	342.47

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, 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)	-
Actuarial gain/ (loss)	-	(5.01)	5.01
Balance as on March 31, 2018 *	2,269.88	2,408.29	(138.41)

Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 01, 2018	2,269.88	2,408.29	(138.41)
Opening Balance adjustment	46.78	36.73	10.05
Interest Expense/(Income)	175.99	175.99	-
Current Service Cost	112.41	-	112.41
Employee Contributions	161.86	274.27	(112.41)
Liabilities transferred in	41.03	41.03	-
Benefit Payments	(376.72)	(376.72)	-
Actuarial gain/ (loss)	-	(0.68)	0.68
Balance as on March 31, 2019 *	2,431.23	2,558.91	(127.68)

* Excess of the asset over liability is not recognised in the financials.

Following tables show breakdown of the defined benefit obligations and plan assets :

GRATUITY

	March 31, 2019	March 31, 2018
Present Value of Obligations	2,671.88	3,103.76
Fair Value of Plan Assets	2,329.41	2,898.57
Net (Asset)/Liability	342.47	205.19

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

PROVIDENT FUND

	March 31, 2019	March 31, 2018
Present Value of Obligations	2,431.23	2,269.88
Fair Value of Plan Assets	2,558.91	2,408.29
Net (Asset)/Liability*	(127.68)	(138.41)

* Excess of the asset over liability is not recognised in the Financial Statements.

The significant actuarial assumptions were as follows:

Particulars	March 31, 2019	March 31, 2018
Discount Rate / Return on plan assets		
Gratuity	7.54%- 7.79%	7.82%-7.87%
Guaranteed Return		
Provident fund	8.65%	8.65%
Rate of salary increase		
Gratuity	4.00%	4.00%
Rate of employee turnover		
Gratuity	2.00%	2.00%
Mortality rate during employment	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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount Rate / Return on plan assets				
Gratuity	(80.78)	(101.76)	85.76	108.51
Rate of salary increase				
Gratuity	88.37	112.01	(83.87)	(105.80)
Rate of employee turnover				
Gratuity	21.70	33.42	(22.82)	(35.32)

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 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.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

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 March 31, 2020 are ₹ 266.29 Lakhs.

The weighted average duration of the defined benefit obligation is 7-11 years (2018 - 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, 2019	As at March 31, 2018
1st Following Year	416.17	400.94
2nd Following Year	212.02	220.56
3rd Following Year	212.14	308.12
4th Following Year	238.90	276.42
5th following year	275.79	286.72
Sum of 6th to 10th Following Year	1,263.97	1,456.22

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) up to March 31, 2019

Priyavrata H. Mafatlal (Executive Director), [CEO w.e.f. April 01, 2019] [Son of Shri 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. Chakravarti (Non Executive Independent Director)

Sujal A. Shah (Non Executive Independent Director)

B) Individual having significant influence

H. A. Mafatlal

C) Enterprises over which key management personnel and their relatives are able to exercise significant influence

NOCIL

Arvi Associates Private Limited

Gayatri Pestichem Manufacturing Private Limited

D) 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**

E) Post employment benefit plan

The Mafatlal Gagalbhai & Sons and the Associate Concerns Officer's Superannuation Scheme

Mafatlal Industries Limited - Employee's Gratuity Fund

Mafatlal Industries Limited - Employees Provident Fund

Mafatlal Denim Limited - Employees Provident Fund

Mafatlal Denim Limited - Employees Superannuation Fund

** No transactions during the year

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(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, 2019	Year ended March 31, 2018
Directors Remuneration		
Short-term employee benefits		
Aniruddha Deshumkh (Managing Director & CEO)	227.47	251.14
Priyavrata H. Mafatlal (E.D.) [Son of Shri H.A.Mafatlal]	25.23	61.76
Post-employment benefits	*	*
Long-term employee benefits	*	*
Employee share-based payment	-	-
Director's sitting fees		
Latika P. Pradhan	10.50	10.50
Atul K. Srivastava	7.00	7.35
Pradip. N. Kapadia	8.40	9.80
Gautam G. Chakravarti	11.20	11.55
Sujal A. Shah	8.40	10.50
Vilas. R. Gupte	12.60	12.25
Total compensation	310.80	374.85

B) Details of transactions with Related Parties during the year

Nature of transaction	Year ended March 31, 2019	Year ended March 31, 2018
(i) Sale of Goods & Services		
Suremi Trading Private Limited	0.36	0.14
(ii) Other Operation Revenues		
NOCIL	13.08	10.41
(iii) Dividend Income		
NOCIL	650.20	468.14
(iv) Lease & Licience Fees		
Arvi Associates Private Ltd	2.28	0.38
Gayatri Pestichem Manufacturing Private Limited	0.12	0.03
(v) Payment for Post employment benefit plan		
The Mafatlal Gagalbhai & Sons and the Associate Concerns Officer's Superannuation Scheme	61.16	81.89
Mafatlal Industries Limited - Employee's Gratuity Fund	15.00	97.67
Mafatlal Industries Limited - Employees Provident Fund	285.78	309.22
Mafatlal Denim Limited - Employees Provident Fund	2.18	6.19
Mafatlal Denim Limited - Employees Superannuation Fund	19.28	30.04
(vi) Sale of Investments		
Suremi Trading Private Limited	64.81	-
Arvi Associates Private Limited	272.50	-
(vii) Amount due from		
Trade and other receivables:		
NOCIL	3.70	0.82
Suremi Trading Private Limited	0.32	-
Arvi Associates Private Ltd	-	0.38
Gayatri Pestichem Manufacturing Private Limited	-	0.03
(ix) Investments in Related Parties		
NOCIL	37,168.70	49,766.15

Notes:

*Compensation excludes provision for gratuity, provident fund and compensated absences since these are based on actuarial valuation on an overall company basis.

Terms and conditions

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 42 - Contingent liabilities and contingent assets

(a) Contingent liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Income Tax Matters	3,053.63	2,522.31
Central excise and related matters	528.70	528.70
Central excise and service tax matters	2,960.55	2,960.55
Other Commercial matters	49.83	49.83
Labour Law matters	366.87	347.62
Director General of Foreign Trade matters	4.79	4.79
Total	6,964.37	6,413.80

- (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 (March 31, 2018 ₹ 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 (March 31, 2018 ₹ 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.
- (e) The Group believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

Note 43 - Commitments

(a) Capital commitments and other commitments

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, 2019	As at March 31, 2018
Estimated value of contracts on capital account remaining to be executed Tangible assets	139.96	43.39

Other commitments

Particulars	As at March 31, 2019	As at March 31, 2018
Export obligations against the import licenses taken for import of capital goods under the Export Promotion Capital Goods Scheme which is to be fulfilled over the period of next six years. If the Group is unable to meet these obligations, its liability would be ₹ 1,452.83 Lakhs (March 31, 2018 : ₹ 2,059.73 Lakhs) which will reduce in proportion to actual exports. The Group is reasonably certain to meet its export obligations, hence it does not anticipate a loss with respect to these obligations.	8,716.98	12,358.35

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

(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, 2019	As at March 31, 2018
<i>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</i>		
Within one year	103.51	181.44
Later than one year but not later than five years	45.11	14.48
Total	148.62	195.92

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, 2019	As at March 31, 2018
<i>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</i>		
Within one year	179.55	191.55
Later than one year but not later than five years	59.39	229.67
Total	238.94	421.22

Rental expense relating to operating leases

Particulars	As at March 31, 2019	As at March 31, 2018
Total rental expense relating to operating leases*	306.92	334.05

* 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, 2019		As at March 31, 2018	
	Within India	Outside India	Within India	Outside India
Revenue from External Customers	91,863.91	10,521.45	97,853.38	18,920.21

Segment Assets

Particulars	As at March 31, 2019		As at March 31, 2018	
	Within India	Outside India	Within India	Outside India
Non-current assets excluding financial assets, deferred tax assets, Income tax assets	14,419.78	-	30,935.12	-

The Group does not have revenue of more than 10% from a single customer.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 45 - Earnings per share

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Basic and Diluted (Loss) / Earnings Per Share		
Loss After Taxation	(18,007.04)	(4,177.82)
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 Per Share	(129.43)	(30.03)
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 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, Group 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, 2019	As at March 31, 2018
Opening balance	3,156.63	3,667.69
Grants during the year	26.63	-
Less:- Grant reclassified	(72.85)	-
Less: Released to Statement of Profit and Loss (Note 28(a))	(487.60)	(511.06)
Less : Impairment [Refer Note 34 (c)]	(1,936.17)	-
Closing balance	686.64	3,156.63

Description	As at March 31, 2019	As at March 31, 2018
Current portion	142.48	500.72
Non-current portion	544.16	2,655.91
Total	686.64	3,156.63

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, 2019	As at March 31, 2018
Current			
Financial Assets			
First and Second Charge			
Inventories	10	10,496.54	16,267.05
Assets held as sale	17	7,850.09	-
Trade receivables	12	19,135.72	28,306.41
Total Current assets pledged as security		37,482.35	44,573.46

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
Non-Current			
Land	3	8.57	8.57
Building	3	2,772.20	2,448.86
Plant & Machinery	3	9,373.81	22,646.55
Investment Property	4	218.01	218.54
Vehicles	3	168.56	235.67
Investment	6	13,274.49	13,656.01
Others Assets	13	40.98	40.98
Total Non-Current assets pledged as security		25,856.62	39,255.18
Total assets pledged as security		63,338.97	83,828.64

Note 48: Interests in other entities
(a) Subsidiaries

The Group has only one subsidiary at 31 March 2019 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	As at March 31, 2019	As at March 31, 2018
Current assets	14.71	13.69
Current liabilities	3.99	2.97
Net current assets	10.72	10.72
Non-current assets	33.20	33.20
Non-current liabilities	4.79	4.79
Net non-current assets	28.41	28.41
Net assets	39.13	39.13
Accumulated NCI	4.69	4.69

Summarised statement of Profit and Loss	Year ended March 31, 2019	Year ended March 31, 2018
Revenue	30.30	22.66
Profit for the year	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Profit allocated to NCI	-	-
Dividends paid to NCI	-	-

Summarised cash flows	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from operating activities	(1.73)	5.29
Cash flows from investing activities	0.49	0.49
Cash flows from financing activities	-	-
Net increase/ (decrease) in cash and cash equivalents	(1.24)	5.78

(c) Transactions with Non-Controlling interest

There are no transactions with non-controlling interests for any of the reported years.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 49 Additional information required by Schedule III

Particulars	March 31, 2019		March 31, 2018	
	As a % of Consolidated net assets	Amount	As a % of Consolidated net assets	Amount
Parent				
Mafatlal Industries Limited				
Net Assets i.e Total assets minus total liabilities	99.99%	50,698.98	99.99%	79,840.46
Share in profit or (loss)	100.00%	(18,007.04)	100.00%	(4,177.82)
Share in other comprehensive income	100.00%	(11,165.38)	100.00%	25,384.08
Share in total comprehensive income	100.00%	(29,172.42)	100.00%	21,206.26
Subsidiaries				
Mafatlal Services Limited				
Net Assets i.e Total assets minus total liabilities	0.01%	11.62	0.01%	11.62
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

The Group is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

Note 51

- As legally advised, the Group has not recognised as income recovery of rent and other charges of ₹ 83.61 Lakhs upto March 31, 2019 (₹ 83.61 Lakhs upto March 31, 2018) 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 liabilities.
- In an earlier year, the Group had sold part of its leasehold land at its Mazgaon unit. During the current financial year, the Group has surrendered 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.
- 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.
- During the quarter ended 30th September 2018, the Hon'ble Bombay High Court passed an order partially allowing the Writ Petition No.2982 of 2016 filed by the Company. The demand notice of ₹ 454.35 crores issued by the Collector, Mumbai City in respect of part of the Mazagaon land (developable land) has been set aside in line with earlier decision of the Hon'ble Bombay High Court on the similar issue in other matters. The said earlier decision of the Hon'ble Bombay High Court on the same issue has been challenged by the State Government in the Hon'ble Supreme Court by filing Special Leave Petition (SLP) in which the Company has also been made one of the respondents. In the SLP filed by the Company against the aforesaid Order, in so far as it relates to rejection of the claim of the Company for non-cash compensation benefit (TDR) against surrender of a part of land at Mazagaon (reserved land) to Municipal Corporation of Greater Mumbai (MCGM) has been dismissed by the Hon'ble Supreme Court, with liberty to the Company to explore the alternative remedies available to it in accordance with law. As legally advised, against the aforesaid Order of the Hon'ble Bombay High Court denying TDR benefits to the Company against surrender of Reserved Land, the Company has filed a review petition in the Hon'ble Bombay High Court.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

- (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 Group
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)	-

- (a) There has been no change in the percentage holding of the Group in its three subsidiaries existing as at the year ended March 31, 2018 and March 31, 2019.
- (b) Consequent to Ibiza Industries Limited (IIL) and Sunanda Industries Limited (SIL) which have gone under liquidation in the earlier years, the Group 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 Group 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 Group 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 Group ceases to have any significant influence over these entities and accordingly they have not been considered for consolidation.

Note 52 - Details of Research and Development

Particulars	March 31, 2019	March 31, 2018
Employee benefits expense	81.11	-
Consumables	3.11	-
Repairs and Maintenance	19.22	-
Total	103.44	-

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.
- (ii) With effect from 1st April, 2018 Group has adopted Ind AS 115 – Revenue from Contracts with Customers which resulted adjustments to the amounts recognised in the financial statements in the form of reclassification. In accordance with the transition provisions in the Ind AS 115, the Group has adopted the modified retrospective method. Accordingly, comparative information for prior period has not been restated.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(All amounts in ₹ Lakhs, unless stated otherwise)

Balance Sheet (Extract)	31 st March 2019 without adoption of Ind As 115	Increase/ (Decrease)	31 st March 2019 as reported
Current Liabilities	-	-	-
Contract Liabilities	-	-	-
Other Current Liabilities	526.48	-	526.48
Total Current Liabilities	526.48	-	526.48

Presentation of assets and liabilities related to contracts with customers:

The Group has also voluntarily changed the presentation of certain amount in the balance sheet to reflect the terminology of Ind AS 115:

Contract liabilities in relation to contracts for sale of good and services which were included in the other current liabilities NIL.
Contract Liabilities represents advance received against sale of goods or services.

Note 54:- Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures.

In terms of our report attached

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

Priyanshu Gundana
Partner
Membership No. 109553
Mumbai, May 16, 2019

For and on behalf of the Board of Directors

H. A. Mafatlal
Chairman
(DIN:00009872)

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

Milan Shah
Chief Financial Officer

Ashish Karanji
Company Secretary

Mumbai, May 16, 2019

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)

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2019

(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

Sr. No.	Name of the Subsidiary Company	Mafatlal Services Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2018 to March 31, 2019
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the each of foreign subsidiaries	₹
3	Share capital	310.00
4	Other Equity	(270.87)
5	Total assets	47.92
6	Total Liabilities	8.78
7	Investments	-
8	Turnover	30.30
9	Profit before taxation	-
10	Provision for taxation	-
11	Profit after taxation	-
12	Proposed Dividend	-
13	% of shareholding	88%

- Names of subsidiaries which are yet to commence operations: None
- Names of subsidiaries which have been liquidated or sold during the year: None



MAFATLAL INDUSTRIES LIMITED

FORM NO MGT-11 PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]
CIN L17110GJ1913PLC000035

Name of the Company : MAFATLAL INDUSTRIES LIMITED

Regd. Office : 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

Name of the Member(s):	
Registered address:	
E-mail Id:	
Folio No./ Client Id:	
DP Id:	

I / We, being the member(s) ofshares of the above named company, hereby appoint:

- (1) Name Address.....
E-mail ID Signatureor failing him / her
- (2) Name Address.....
E-mail ID Signatureor failing him / her
- (3) Name Address.....
E-mail ID Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 105th Annual General Meeting of the Company, to be held on Friday, 2nd day of August, 2019 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:

Resolution No.	Resolution matter in brief	FOR	AGAINST
Ordinary Business			
1.	Adoption of Audited Financial Statements (Standalone & Consolidated, both) including the statement of Profit and loss for the Year ended 31st March, 2019 and Balance sheet as at date, the Directors' Report and Auditors' Report thereon with the Annexure thereto.		
2.	Appointment of Shri Hrishikesh A Mafatlal, a Director who retires by rotation.		
Special Business			
3.	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 2019-20.		
4.	Ordinary Resolution under sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment of Shri Atul K Srivastava, as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 consecutive years from 5th August, 2019 to 4th August, 2024.		
5.	Special Resolution under sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment of Shri Vilas R Gupte, as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 consecutive years from 5th August, 2019 to 4th August, 2024 and that such term be continued notwithstanding that he shall cross the age of 75 years during such tenure.		
6.	Special Resolution under sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment of Shri Pradip N Kapadia, as an Independent Director of the Company, not liable to retire by rotation, for a period of 5 consecutive years from 5th August 2019 to 4th August, 2024.		
7.	Special Resolution under sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) 2015 for appointment of Smt. Latika P Pradhan, as an Independent Director of the Company, not liable to retire by rotation, for a second term for a period of 5 consecutive years from 17th April, 2020 to 16th April, 2025.		
8.	Special Resolution under sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment of Shri Gautam G Chakravarti, as an Independent Director of the Company, not liable to retire by rotation, for a second term for a period of 5 consecutive years from 30th May, 2020 to 29th May, 2025.		
9.	Special Resolution under sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment of Shri Sujal A Shah, as an Independent Director of the Company, not liable to retire by rotation, for a second term for a period of 5 consecutive years from 30th May, 2020 to 29th May, 2025.		
10.	Ordinary Resolution for approval of reclassification of certain Persons/Entities as Non-Promoter/Public shareholders as per the Resolution mentioned in the Notice.		

Signed this _____ day of _____ 2019

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.



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MAFATLAL INDUSTRIES LIMITED

CIN L17110GJ1913PLC000035

Registered Office: 301-302, Heritage Horizon, Off: C G Road, Navrangpura, Ahmedabad - 380009.

Tel: 079 – 26444404-06 Fax: 079 - 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 105th Annual General Meeting of the Company, this day being, Friday, 2nd August, 2019 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 Fintech Pvt. Ltd.**, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Telangana, India. Tel: 040 6716 1622 Fax: 040 2342 0814 E-mail: einward.ris@karvy.com website: www.karvyfintech.com

*Applicable for investors holding shares in Electronic (Demat) Form.



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**Route Map to the Venue 105th Annual General Meeting of the Shareholders of the Company
Friday, 2nd day of August, 2019 at 10.00 AM.**

Venue : J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad-380 015



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



MAFATLAL
FABRICS

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UNICHoice
by
Mafatlal

MEDIMAF
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M MAFATLAL
DENIMS

SCHOOL UNIFORM

TRENDZ
READY-TO-WEAR FASHION BY MAFATLAL

Mafatlal
HOME FASHION

CORPORATE
UNIFORM

Shalini
WOMENS COLLECTION