



## MAFATLAL INDUSTRIES LIMITED

CIN L17110GJ1913PLC000035

**Regd. Office:** 301-302, Heritage Horizon, 3rd Floor, Off C. G. Road, Navrangpura, Ahmedabad 380009.

**Email:** ahmedabad@mafatlals.com, **Website:** www.mafatlals.com, **Tel. No.** 079- 26444404-06, **Fax No:** 079 -26444403

Sr. No. \_\_\_\_\_

Name of sole / first named member :

Address :

Name of Joint Holder(s), if any :

Registered Folio No. / DP ID No. /  
Client ID No.

Number of shares held :

Dear Member,

### **Subject: Process and manner for availing E-voting facility (In respect of 103<sup>rd</sup> AGM)**

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015, the Company is pleased to provide its members, facility to exercise their right to vote on resolutions proposed to be considered at the 103<sup>rd</sup> Annual General Meeting (AGM) to be held on Wednesday, the 2<sup>nd</sup> August, 2017 at 10.00 A.M. (as per the Notice dated 5<sup>th</sup> May, 2017 convening the said AGM) by electronic means and all the business, as per the said Notice, may be transacted through remote e-voting services.

The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Karvy Computershare Private limited ("Karvy"). The e-voting facility is available at the link <https://evoting.karvy.com>

The electronic voting particulars are set out below:

<b>EVEN (E-voting event number)</b>	<b>User ID</b>	<b>Password/ Pin</b>

The remote e-voting facility will be available during the following voting period:

<b>Commencement of remote e-voting</b>	<b>From 9.00 a.m. on 30<sup>th</sup> July, 2017</b>
<b>End of remote e-voting</b>	<b>Up to 5.00 p.m. on 1<sup>st</sup> August, 2017</b>

These details and instructions form integral part of the Notice for the Annual General Meeting (AGM) dated 5<sup>th</sup> May, 2017 convening the said meeting

Please read the instructions printed overleaf before exercising the vote.

## Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 103<sup>rd</sup> Annual General Meeting (AGM) by electronic means and the said business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Karvy Computershare Private Limited ("Karvy")
- II. The facility for voting through polling paper shall be made available at the AGM and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Meeting through polling paper
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. **The remote e-voting period commences on 30<sup>th</sup> July, 2017 (9:00 am) and ends on 1<sup>st</sup> August, 2017 (5:00 pm). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 26<sup>th</sup> July, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.**
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participant(s)]
    - I. Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password
    - II. Launch internet browser by typing the following URL: <https://evoting.karvy.com>
    - III. (Click on Shareholder - Login
    - IV. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - V. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - VI. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - VII. Select "EVEN" of "Mafatlal Industries Limited".
    - VIII. Now you are ready for remote e-voting as Cast Vote page opens.
    - IX. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - X. Upon confirmation, the message "Vote cast successfully" will be displayed.
    - XI. Once you have voted on the resolution, you will not be allowed to modify your vote.
    - XII. **Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: [umesh@umeshvedcs.com](mailto:umesh@umeshvedcs.com) They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."**
  - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]

- (i) Initial password is provided in the enclosed Form.

EVEN (Remote e-voting Event Number)	User ID	Password/ Pin

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user-manual for Members available at the download section of <https://www.evoting.karvy.com>
- VII. If you are already registered with Karvy e-voting platform then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 26<sup>th</sup> July, 2017.
- X. **Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 26<sup>th</sup> July, 2017 may obtain the login ID and password in the manner as mentioned below:**
  - a) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - b) Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com). If the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.
  - c) Member may call Karvy's toll free number 1-800-3454-001.
  - d) If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS : MYEPWD <space>E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399  
Example for NSDL: MYEPWD <SPACE> IN12345612345678  
Example for CDSL : MYEPWD <SPACE> 1402345612345678  
Example for Physical : MYEPWD <SPACE> XXXX1234567890
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.
- XIII. **Shri Umesh Ved, Practicing Company Secretary, has been appointed as the Scrutinizer of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.**
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be done, allow voting with the assistance of scrutinizer, by use of "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 24 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall counter sign the same and declare the result of the voting forthwith by the Company.
- XVI. **The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.mafatlals.com](http://www.mafatlals.com) and on the website of Karvy at <https://evoting.karvy.com> after the declaration of result by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited, where the shares of the Company are listed.**

## NOTICE

NOTICE IS HEREBY GIVEN THAT the **103<sup>rd</sup>** Annual General Meeting of the Members of **Mafatlal Industries Limited** will be held **on Wednesday, the 2<sup>nd</sup> day of August, 2017 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 31<sup>st</sup> March, 2017 including Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2017 and the Balance Sheet as at that date, the Directors' Report and the Auditor's Report thereon.
- (2) To declare Dividend for the year 2016-17 on Equity Shares of the Company.
- (3) To appoint a Director in place of Shri A. K. Srivastava (DIN 00046776) who retires by rotation and being eligible, offers himself for re-appointment.
- (4) To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No.012754N/N500016), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the 108<sup>th</sup> Annual General Meeting {AGM} (subject to ratification of the appointment by the Members at every AGM held after this AGM) on such remuneration as may be fixed by the Board, apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit."

### SPECIAL BUSINESS

- (5) To consider and if thought fit, to pass with or without modification(s), the following Resolution, as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Shri Priyavrata H. Mafatlal (DIN 02433237), who was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from 1<sup>st</sup> November, 2016, in terms of Section 161(1) of the Companies Act, 2013 and Article 141 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting, (in respect of whom the Company has, received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director) be and is hereby appointed as a Director of the Company liable to retire by rotation."
- (6) To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION**:

"**RESOLVED THAT** pursuant to Section 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modifications or re-enactments thereof, for the time being in force), approval of the Company be and is hereby accorded to the appointment of Shri Priyavrata H. Mafatlal (DIN 02433237) as Executive Director (whole time director) of the Company, for a period of 5 (Five) years with effect from 1<sup>st</sup> November, 2016 on the terms and conditions and remuneration as set out in the Letter of Appointment dated 25<sup>th</sup> October, 2016 issued to him and laid before the Meeting, with the liberty and powers to the Board of Directors to increase, alter and vary the salary, commission and perquisites and other terms in such manner as the Board in its absolute discretion deems fit and is acceptable to him and with approval of the Central Government, where such remuneration exceeds the statutory limits prescribed under Section 197 of the Companies Act, 2013 or maximum permissible limits under Schedule V to the Companies Act, 2013."

"RESOLVED FURTHER THAT in the event of absence or in adequacy of profits of the Company in any financial year, he be paid the said remuneration as minimum remuneration subject to the terms and upto the maximum limits prescribed in Schedule V to the Companies Act, 2013 or with the approval of the Central Government, if required."

- (7) To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION**:

"**RESOLVED THAT** pursuant to Section 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modifications or re-enactments thereof, for the time being in force), approval of the Company be and is hereby accorded to the appointment of Shri Hrishikesh A. Mafatlal (DIN 00009872) as Executive Chairman of the Company, for a period of 5 (Five) years with effect from 1<sup>st</sup> November, 2016 on the terms and conditions and remuneration as set out in the Letter of Appointment dated 25<sup>th</sup> October, 2016 issued to him and laid before the Meeting, with the liberty and powers to the Board of Directors to increase, alter and vary the salary, commission and perquisites and other terms in such manner as the Board in its absolute discretion deems fit and is acceptable to him and with approval of the Central Government where such remuneration exceeds the statutory limits prescribed under Section 197 of the Companies Act, 2013 or maximum permissible limits under Schedule V to the Companies Act, 2013."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits of the Company in any financial year, he be paid the said remuneration as minimum remuneration subject to the terms and upto the maximum limits prescribed in Schedule V to the Companies Act, 2013 or with the approval of the Central Government, if required."

- (8) To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013 including any statutory

modification/s or re-enactment/s thereof, for the time being in force, and subject to the requisite approval if any, approval of the members of the Company be and is hereby accorded to the managerial remuneration aggregating to ₹228.83 lakhs for the Financial Year 2016-17 paid to Shri Aniruddha P. Deshmukh (DIN: 01389267), as Managing Director & Chief Executive Officer (MD & CEO) of the Company, notwithstanding it being in excess of the limits prescribed under the said provisions of Section 197 of the Companies Act, 2013 and the recovery of such excess is hereby waived."

9. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013 including any statutory modification/s or re-enactment/s thereof, for the time being in force, and subject to the requisite approval, if any, approval of the members of the Company be and is hereby accorded to the managerial remuneration aggregating to ₹27.56 lakhs for the Financial Year 2016-17, paid to Shri Priyavrata H. Mafatlal (DIN 02433237) as Executive Director (whole time director) of the Company with effect from 1<sup>st</sup> November, 2016, notwithstanding it being in excess of the limits prescribed under the said provisions of Section 197 of the Companies Act, 2013 and the recovery of such excess is hereby waived."

10. To consider and, if thought fit, to pass with or without modifications, the following Resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013 including any statutory modification/s or re-enactment/s thereof, for the time being in force, and subject to the requisite approval if any, approval of the members of the Company be and is hereby accorded to the managerial remuneration aggregating to ₹149.86 lakhs for the Financial Year 2016-17, paid to Shri Vishad P. Mafatlal (DIN: 00011350), as Executive Vice-Chairman of the Company (upto 19<sup>th</sup> August, 2016), notwithstanding it being in excess of the limits prescribed under the said provisions of Section 197 of the Companies Act, 2013 and the recovery of such excess is hereby waived."

11. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT in accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of The Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, the payment of Remuneration of ₹6,25,000/- (Rupees Six Lakhs Twenty Five Thousand only) (plus taxes and re-imbursement of out-of-pocket expenses incurred by them for the purpose of Audit) to Shri B. C. Desai, Cost Auditor, (Membership Number M-1077), for conducting the audit of Cost Accounting Records relating to the products 'Textiles' manufactured and traded by the Company for the year 1st April 2017 to 31st March 2018 be and is hereby approved and ratified."

12. To consider and, if thought fit, to pass with or without modifications, the following Resolution, as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 62(1) (b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules & Regulations made thereunder and in accordance with the Memorandum and Articles of Association of the Company, and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and other applicable provisions including, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and further subject to such other approvals, permissions and sanctions as may be necessary and upon such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the introduction and implementation of Mafatlal Employee Stock Option Scheme 2017 (hereinafter referred to as the "ESOS 2017") authorising the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to create, and grant from time to time, in one or more tranches, not exceeding 6,95,000 (six lakhs ninety five thousand) Employee Stock Options to or for the benefit of such eligible person(s) who are in permanent employment of the Company, including any Director, whether whole time or otherwise, as may be decided under ESOS 2017, exercisable into not more than 6,95,000 (six lakhs ninety five thousand) equity shares of face value of ₹10 (Rupees Ten) each fully paid-up, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the proposed ESOS 2017."

"RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank *paripassu* with the then existing equity shares of the Company in all respects."

"RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, amalgamation, merger, takeover and sale/disposal of division or undertaking and others, if any additional equity shares are to be issued by the Company to the Option grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the ceiling on the number of Options mentioned in the resolution above, shall be deemed to be increased to the extent of such additional equity shares issued."

"RESOLVED FURTHER THAT in case the equity shares of the Company are split or consolidated (sub-division or consolidation of face value of equity shares), then the number of equity shares to be allotted and the exercise price payable by the option grantees under the ESOS 2017 shall automatically stand augmented or reduced in the same proportion as the present face value of ₹10 (Rupees Ten) per equity share bears to the revised face value of the equity shares of the Company after such split or consolidation, without affecting any other rights or obligations of the said grantees."

**"RESOLVED FURTHER THAT** the Board including designated committee of the Board, if any be and is hereby authorised to take requisite steps for listing of the Equity Shares allotted under ESOS 2017 on the Bombay Stock Exchange (BSE Limited) where the Equity Shares of the Company are listed and traded as well as on other stock exchange/s where the Company proposes to get it's shares listed in due course of time."

**"RESOLVED FURTHER THAT** the Company shall conform to the applicable accounting standards/policies/guidelines prescribed, from time to time, under the SEBI Rules & Regulations (including amendments thereto) and other applicable laws and regulations to the extent relevant and applicable to the ESOS 2017."

**"RESOLVED FURTHER THAT** the Board including designated committee of the Board, if any, be and is hereby authorized in its absolute discretion at any time to frame & finalise, modify, change, vary, alter, amend, suspend or terminate the ESOS 2017 subject to the compliance with the applicable laws, Rules and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts (including the extension or reduction of vesting and /or exercise timeline of the options already granted or proposed to be granted) that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOS 2017 and do all other things incidental and ancillary thereof."

**"RESOLVED FURTHER THAT** the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and such other Advisors, Consultants, professionals or Representatives, being incidental to the effective implementation and administration of ESOS 2017 as also to make applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard."

By Order of the Board  
For Mafatlal Industries Limited

Place: Mumbai  
Dated: 5<sup>th</sup> May, 2017

**Ashish A. Karanji**  
Company Secretary

#### Regd. Office:

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

#### NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND THAT A PROXY NEED NOT BE A MEMBER.**

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

2. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item Nos. 4 to 12 mentioned in the above Notice, is annexed hereto marked as **Annexure I** to this notice.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from **Thursday, 27<sup>th</sup> July, 2017 to Wednesday, 2<sup>nd</sup> August, 2017 (both days inclusive)** for the purpose of payment of dividend, if any and AGM.
4. The dividend, as declared by the Members at the Annual General Meeting, will be paid on **8<sup>th</sup> August, 2017**. In order to enable the Company, directly credit the dividend amount in the bank accounts:
  - a) Shareholders holding shares in demat accounts are requested to update their Bank Account details with their respective Depository Participants.
  - b) Shareholders holding shares in physical form are requested to provide the following details along with an authorization letter allowing the Company to directly credit the dividend in their bank accounts:

Name of first account holder (as appearing in the bank account records), Bank name, branch name, branch address, type of account and account number, IFSC code and MICR code and copy of cancelled cheque.

5. **Members are requested to note that pursuant to the provisions of Section 124 of the Companies Act, 2013 the dividend remaining unclaimed / unpaid for a period of seven years from the date it becomes due for payment shall be credited to the Investor Education and Protection Fund (IEPF) set up by the Central Government. The details of the Members, who have not encashed their dividend warrants for earlier years, are available under the 'Financials' section on the Website of the Company viz. www.mafatlals.com. Members who have not encashed their dividend warrants are advised to write to the Company immediately claiming their dividends declared by the Company.**
6. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Company and has issued circulars allowing service of



notices/documents including Annual Report by e-mail to its members. To support this green initiative of the government in full measure, members who have not registered their e-mail addresses so far, are requested to register the same in respect of electronic holdings with the depository through their depository participants. Members who are holding shares in physical form are requested to get their e-mail addresses registered with the Registrar and Share Transfer Agent.

7. In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, e-voting facility is being provided to the Members. Details of the e-Voting process and the relevant details are being sent to all the Members along with Notice.
8. Pursuant to the Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the requisite information with respect to the Director seeking appointment /re-appointment is annexed hereto and marked as **Annexure II** to this notice.
9. The information as required under para (iv) of Section II of Part II of Schedule V to the Companies Act, 2013 is annexed hereto and marked as **Annexure III** to this notice.

#### ANNEXURE I TO NOTICE

Explanatory Statement as required by Section 102 of the Companies Act, 2013.

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts in respect of Items of Special Business mentioned at Sr. No.4 to 12 of the Notice dated 5th May, 2017.

#### In respect of Item No. 4:

The Board of Directors of the Company based on the recommendations by the Audit Committee at their meeting held on 24<sup>th</sup> March, 2017 has considered and approved the appointment of M/s. Price Waterhouse Chartered Accountants LLP as new Statutory Auditor in place of M/s. Deloitte Haskins & Sells, (whose terms as Auditors is expiring at the conclusion of the ensuing Annual General Meeting of the shareholders of the Company) subject to the approval of the shareholders. The appointment shall be effective from the date of the approval of the shareholders at the ensuing Annual General Meeting.

Shareholders may also note that M/s. Price Waterhouse was constituted on April 1, 1991. On July 25, 2014, Price Waterhouse was converted to Price Waterhouse Chartered Accountants LLP (the 'Firm') which is incorporated under the Limited Liability Partnership Act, 2008. The Firm is registered with the Institute of Chartered Accountants of India (Registration No. 012754N/N500016). The Firm has 68 Partners as on February 1, 2017.

The Board recommends passing of the above resolution.

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

#### In respect of Item No. 5 & 6

The Board of Directors of the Company at their Meeting held on 25<sup>th</sup> October, 2016, based on the recommendation of the Nomination & Remuneration Committee (NRC), appointed Shri Priyavrata H. Mafatlal

(holding DIN 02433237), as additional director of the Company (who was also appointed as an Executive Director of the Company with effect from 1<sup>st</sup> November, 2016, in terms of the provisions of Section 161(1) of the Companies Act, 2013 and Article 141 of the Articles of Association of the Company.

In terms of Section 161 and other applicable provisions of the Companies Act, 2013, he holds office as an additional director upto the date of ensuing Annual General Meeting. As required under Section 160 of the Companies Act, 2013, a notice has been received from a member of the Company along with requisite deposit signifying his intention to propose Shri Priyavrata H. Mafatlal as a candidate for the office of the Director of the Company liable to retire by rotation.

Shri Priyavrata H. Mafatlal, aged 29 years, has done his Master of Commerce from Mumbai University in 2010 after completing Bachelor in Management Studies (with specialization in Marketing) in 2008. He has attended 3 Tier Management Programme at IIM, Ahmedabad and has also done Fashion Business Course from Istituto Marangoni, London (UK). He has worked as Management Trainee in NOCIL Ltd., Navin Fluorine International Limited as also Mafatlal Denim Limited (now merged with the Company) during 2008 -2010 and has gained varied experience and exposure in working with different businesses and divisions. Post successful completion of corporate trainings and mentoring, the Board of Directors of the Company had at their meeting held on 22<sup>nd</sup> December, 2010 appointed him as General Manager (Marketing) w.e.f. 1<sup>st</sup> January, 2011. The said appointment was also approved by the shareholders of the Company by way of Special Resolution passed at 97<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> September, 2011. Since then he has been actively involved in various activities of the Company connected with Sales & Marketing, Design & Development, Apparel, Retail etc. He was instrumental in recently developed Video and Audio campaign targeted for revamping Mafatlal Brand which elicited good response from all stakeholders. He has also partnered Music Venture in Music Production Company called Pam Bam Beats LLP. He has also varied interest in Sports and Music. He represented Schools at all levels in football, cricket and badminton.

He is holding 5,58,722 Equity Shares of ₹10/- each of the Company (4.02% of the paid up capital). He is Non-Executive Director in Shamir Texchem Pvt. Limited He is son of Shri H. A. Mafatlal, Chairman of the Company.

Considering his credentials and Nomination & Remuneration Policy of the Company, as recommended by the Nomination & Remuneration Committee, the Board of Directors of the Company at their meeting held on 25<sup>th</sup> October, 2016 appointed him as Executive Director (Whole Time Director) for a period of five years w.e.f. 1<sup>st</sup> November, 2016 subject to the approval of the shareholders and other requisite approvals if any, on the following terms of Remuneration:

- I (a) Basic Salary: ₹26,00,000/- per annum
- (b) Allowances, the aggregate monetary value of which shall not exceed ₹18,80,000/- per annum. These perquisites and allowances would be in addition to the items mentioned in clause "c", "d" and "e" below:

(c) Perquisites:

- i. Fully furnished house or house rent not exceeding ₹7,80,000/- per annum in lieu thereof;
- ii. Medi Claim Policy, Personal Accident Insurance, Leave Travel Concession and Club Fees as per the rules of the Company.

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

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

(e) Apart from remuneration, Shri Priyavrata H. Mafatlal will be entitled to:

- i. Free use of company's car for the business of the Company with reimbursement of driver's salary.
- ii. Free telephone facility at residence and use of mobile phone facility
- iii. Reimbursement of expenses actually and properly incurred by him for the business of the Company.

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

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

- i. Contribution to Provident Fund, or Superannuation Fund or Annuity Fund to the extent these, either singly or together are not taxable under the Income Tax Act, 1961
- ii. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service and
- iii. Encashment of Leave at the end of the tenure.

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

He shall not be entitled to receive sitting fees for attending the meetings of the Board of Directors or any Committees thereof.

Subject to the provisions of Section 152 of the Companies Act, 2013, he shall be liable to retire by rotation.

The information as required under para (iv) of Section II of Part II of Schedule V to the Companies Act, 2013 is Annexed herewith and forming part of this notice.

The Board recommends passing of the above resolutions.

None of the Directors, Key Managerial Personnel and/or their relatives except Shri H. A. Mafatlal and Shri Priyavrata H. Mafatlal, are concerned or interested in the said Resolution. A copy of the said Letter of Appointment dated 25<sup>th</sup> October, 2016, issued to Shri P. H. Mafatlal, is open for inspection by Members at the Registered Office of the Company during working hours on all working days (Monday-Friday) except holidays up to the date of this ensuing Annual General Meeting.

**In respect of Item No. 7 :**

Shri Hrishikesh A. Mafatlal (DIN 00009872), 63 years of age, is currently Executive Chairman of the Board of Directors of the Company. He has been on the Board of Directors of the Company since 1979. He did his graduation in Commerce with Honors, from Sydenham College and also Completed Advance Management Programme (AMP) at Harvard Business School, USA. He is an Industrialist having diversified experience of more than 41 years in the areas of Textiles, Chemicals, Petrochemicals, and Financial Services etc. Recently, he was appointed as Executive Chairman of NOCIL Limited. The shareholding of Shri H. A. Mafatlal in the Company, his other directorships/committee membership etc. are mentioned in the annexure to this notice.

Considering his credentials and Nomination & Remuneration Policy of the Company, and as recommended by the Nomination & Remuneration Committee, the Board of Directors of the Company at their meeting held on 25<sup>th</sup> October, 2016 appointed Shri H. A. Mafatlal as "Executive Chairman" of the Company having substantial powers of management of the affairs of the Company, for a period of five years w.e.f. 1<sup>st</sup> November, 2016 subject to the approval of the shareholders of the Company and other requisite approvals on the following terms of remuneration:

- I (a) Basic Salary: ₹108,00,000/- per annum
- (b) Allowances, the aggregate monetary value of which shall not exceed ₹48,00,000/- per annum. These perquisites and allowances would be in addition to the items mentioned in clause "c" and "d" below:
- (c) Perquisites:
  - i. Fully furnished house or house rent not exceeding ₹54,00,000/- per annum in lieu thereof;
  - ii. Medi Claim Policy, Personal Accident Insurance, Leave Travel Concession and Club Fees as per the rules of the Company.

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

- (d) Apart from remuneration, Shri Hrishikesh A. Mafatlal will also be entitled to:
- Free use of company's car for the business of the Company with reimbursement of driver's salary.
  - Free telephone facility at residence and use of mobile phone facility
  - Reimbursement of expenses actually and properly incurred by him for the business of the Company.
- II. Commission up to the maximum limits permitted under the provisions of Section 197 of the Companies Act, 2013
- III. In case of absence or inadequacy of profits in any financial year of the Company, Shri Hrishikesh A. Mafatlal will be entitled to salary, perquisites, and other allowances as the minimum remuneration subject to the maximum limits and conditions prescribed in Schedule V to the Companies Act, 2013, with liberty and authority to the Board of Directors of the Company to amend, alter or vary in any manner, the terms and conditions of his said appointment or applicable agreement from time to time as may be permitted under the provisions of the Companies Act, 2013 or any amendment thereto or any re-enactment thereof and as may be agreed between the Board of Directors and Shri Hrishikesh A. Mafatlal.

He shall not be entitled to receive sitting fees for attending the meetings of the Board of Directors or any Committees thereof.

Shri H. A. Mafatlal has also been appointed as Executive Chairman of NOCIL Limited. Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with the provisions of Schedule V, a Managerial Person shall draw remuneration from one or both companies, provided that the total remuneration drawn from the companies does not exceed the higher maximum limit admissible from any one of the companies of which he is a Managerial Person. Accordingly, the overall remuneration of Shri H. A. Mafatlal drawn from both the companies will not exceed the higher maximum limit admissible from any one of the companies.

However, it may be noted that Shri H. A. Mafatlal indicated that he would not draw any remuneration from the Company for the year 2016-17. Accordingly, no remuneration was paid to him as an Executive Chairman of the Company. He was paid sitting fees as a Non-Executive Director until 31<sup>st</sup> October, 2016.

The information as required under para (iv) of Section II of Part II of Schedule V to the Companies Act, 2013 is Annexed herewith forming a part of this notice.

The Board recommends passing of the above resolution.

None of the Directors, Key Managerial Personnel and/or their relatives except Shri H. A. Mafatlal and Shri Priyavrata H. Mafatlal, are concerned or interested in the Resolution.

A copy of the said Letter of Appointment dated 25<sup>th</sup> October, 2016, issued to Shri H. A. Mafatlal, is open for inspection by Members at the Registered Office of the Company during working hours on all working days (Monday-Friday) except holidays up to the date of this ensuing Annual General Meeting.

#### **In respect of Item No. 8, 9 & 10:**

The financial year 2016-17 was indeed very challenging for your Company. The overall performance of the Company during FY 2016-17 was adversely impacted by several macro level factors. Total Revenue fell by 5% to ₹1,28,068.39 Lakhs, EBITDA went down by 38% to ₹3,764.09 Lakhs leading to a Net Loss for the year of ₹214.53 Lakhs as against a Net Profit of ₹1,712.38 Lakhs for the previous year.

At the macro level the factors like a steep increase in Cotton prices, impact of demonetisation on retail demand and a slump in the Denim industry impacted the performance of the Company. Further for FY 2016-17, the Company had higher Finance Cost & Depreciation charge since the Company has implemented the capacity expansion projects leading to higher term borrowings and increase in fixed assets. The full benefits of these projects shall accrue in subsequent years. Further operating margins were squeezed because of higher Cotton prices on one side, intense competition, weaker demand and curtailed selling prices on the other side.

After an arduous year, the Company expects to turn around on the back of initiatives taken for improvements in plant efficiency, new product developments and a widening of the marketing and distribution network. Towards this, during the year the Company invested net of ₹10,196.21 Lakhs in Fixed Assets to balance and upgrade the existing manufacturing equipment's and facilities.

During the year 2016-17, the Company has made net loss of ₹214.53 Lakhs. However, for the purpose of calculating the Managerial Remuneration, the net loss calculated as per the provisions of Section 198 of the Companies Act, 2013 is ₹1677.06 Lakhs. Therefore, the entire managerial remuneration aggregating to ₹406.26 Lakhs is exceeding the limits of Section 197 of the Companies Act, 2013 for the year 2016 17 (₹228.84 lakhs for Shri Aniruddha P. Deshmukh, Managing Director & Chief Executive Officer ₹27.56 lakhs to Shri Priyavrata H. Mafatlal, Executive Director (whole time director) (w.e.f. 1<sup>st</sup> November, 2016) and ₹149.86 lakhs to Shri Vishad P. Mafatlal, Executive Vice Chairman (upto 19<sup>th</sup> August, 2016). It may also be noted that the remuneration of Shri Vishad P Mafatlal also includes the encashment of leave ₹41.83 lakhs and gratuity payment ₹59.50 lakhs at the end of cessation of the employment with the Company.

It may be noted that though the aggregate managerial remuneration paid is in excess of the limits mentioned under the provisions of Section 197 of the Companies Act, 2013, but it does not exceed the limits mentioned under Schedule V to the Companies Act, 2013 (as amended by notification dated 12<sup>th</sup> September, 2016). Accordingly, as per the provisions of the Companies Act, 2013, no approval of central government is required.



It may be noted that Shri Aniruddha P. Deshmukh, Shri Priyavrata H. Mafatlal and Shri Vishad P. Mafatlal have not been paid any commission/bonus based on the profitability of the Company for the year 2016 -17

In accordance with the provisions of Schedule V and other applicable provisions of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board and the Board of Directors at their respective meetings held on 3<sup>rd</sup> May, 2017 and 5<sup>th</sup> May, 2017, have approved the overall managerial remuneration paid to Shri Aniruddha P. Deshmukh Shri Priyavrata H. Mafatlal and Shri Vishad P. Mafatlal, Managerial Personnel during the year 2016 - 17 as set forth in the resolutions. Having regard to the qualifications, experience, expertise and the contributions made by these Managerial Personnel, the Board recommends the approval by the members of the Company by way of special resolutions of the said managerial remuneration paid and the waiver of excess remuneration paid as mentioned in item 8, 9 & 10.

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

None of the other Directors or Key Managerial Personnel and/or their relatives is concerned or interested in the Resolution No. 8, 9 & 10 except Shri Aniruddha P. Deshmukh for Resolution No. 8, Shri Priyavrata H. Mafatlal for Resolution No. 9 and Shri Vishad P. Mafatlal (he has ceased to be director of the Company) for resolution 10 and Shri H. A. Mafatlal, being relative of Shri Priyavrata H. Mafatlal and Shri Vishad P. Mafatlal, for Resolution No. 9 & 10.

#### **In respect of Item No. 11:**

In accordance with the provisions of Section 148(2) and 148(3) read with The Companies (Cost Records and Audit) Rules, 2014, the Company is required to appoint a Cost Auditor for audit of Textiles Products manufactured by the Company.

Based on recommendation of the Audit Committee, the Board of Directors has appointed Shri B. C. Desai as the Cost Auditor for conducting the audit of Cost Accounting Records maintained by the Textiles Unit of the Company at Nadiad, Denim Unit of the Company at Navsari and the Marketing Services Division of the Company at Mumbai relating to the 'Textiles' product manufactured and traded by the Company for the year 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018 on a proposed remuneration of ₹6,25,000/- plus taxes and reimbursement of out of pocket expenses incurred for the purpose of audit.

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

#### **In respect of item no. 12 :**

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of

personal goals of the employees with organizational objectives. Your Company believes in rewarding its employees including Directors of the Company along with employees of the subsidiaries for their continuous hard work, dedication and support, which would lead the Company on the growth path. The Company intends to implement Employee Stock Option Scheme 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.

With this objective in mind, your Company intends to implement Mafatlal Employee Stock Option Scheme 2017 ("ESOS 2017") for the permanent employees including Directors of the Company.

The Company seeks members' approval in respect of ESOS 2017 for granting of Stock Options to the eligible employees of the Company as decided in this behalf from time to time with due compliance of the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), SEBI (LODR) Regulations, 2015, and Rules & Regulations made thereunder.

The Board of Directors of the Company has, based on the recommendation of the Nomination & Remuneration Committee, at their meeting held on 5<sup>th</sup> May, 2017 approved ESOS 2017, the salient features of the same are as under:

#### **a) Brief description of the scheme:**

The Company proposes to introduce the ESOS 2017 primarily with a view to attract, retain, incentivise and motivate the existing employees of the Company, new employees joining the Company and its Directors that would lead to higher corporate growth. The ESOS 2017 contemplates grant of options to the eligible employees (including Directors), as may be determined in due compliance of applicable laws, rules and regulations including the proposed ESOS 2017. After vesting of options, the eligible employees earn a right (but not obligation) to exercise the vested options within the exercised period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Nomination and Remuneration Committee ("Committee") of the Company shall administer ESOS 2017. All questions of interpretation of the ESOS 2017 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in ESOS 2017.

#### **b) Total number of Options to be granted:**

A total number of options 6,95,000 (six lakhs ninety five thousand) exercisable into 6,95,000 (six lakhs ninety five thousand) Equity Shares would be available for being granted to eligible employees of the Company under ESOS

2017. Each option when exercised would be converted into one Equity share of ₹10/- each fully paid-up.

Options lapsed or cancelled due to any reason including the reason of lapse of exercise period or due to resignation of the employees/ Directors or otherwise, would be available for being re-granted at a future date. The Committee is authorized to re-grant such lapsed / cancelled options as per the ESOS 2017.

Further, the SEBI Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. In this regard, the Committee shall adjust the number and price of the options granted in such a manner that the total value of the options granted under ESOS 2017 remain the same after any such corporate action. Accordingly, if any additional options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of 6,95,000 (six lakhs ninety five thousand) options shall be deemed to be increased to the extent of such additional options issued.

**c) Identification of classes of employees entitled to participate in ESOS 2017**

All permanent employees of the Company, including the Directors (whether Executive or Non-Executive) but excluding –

- a. Independent Directors,
- b. promoters or persons belonging to promoter group,
- c. director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company.

**d) Requirements of vesting and period of vesting**

All the options granted on any date shall vest not earlier than 1 (one) year and not later than a maximum of 4 (four) years from the date of grant of options as may be determined by the Committee.

Options shall vest essentially based on continuation of employment and apart from that the vesting will be subject to Individual performance parameters as the Committee may specify additionally.

**e) Maximum period within which the options shall be vested:**

All the options granted on any date shall vest not later than a maximum of 4 (four) years from the date of grant of options as may be determined by the Committee.

**f) Exercise price or pricing formula:**

The exercise price shall be fair market value of share as on date of grant of options (being not less than last closing price at the stock exchange on the previous working day prior to the grant).

**g) Exercise period and the process of Exercise:**

The Exercise period would commence from the date of vesting and will expire not later than a maximum of 4 (four) years from the date of respective vesting or such other shorter period as may be decided by the Committee from time to time.

The vested Option shall be exercisable by the employees by a written application to the Company expressing their desire to exercise such Options in such manner and on such format as may be prescribed by the Committee from time to time. The Options shall lapse if not exercised within the specified exercise period.

**h) Appraisal process for determining the eligibility of employees under ESOS 2017:**

The appraisal process for determining the eligibility shall be decided from time to time by the Board/Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, etc. as may be decided by the Board/ Committee in its absolute discretion.

**i) Maximum number of Options to be issued per employee and in aggregate:**

The number of options that may be granted to any specific employee of the Company under the ESOS 2017, in any financial year and in aggregate under the ESOS 2017 shall not exceed one percent of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant of options.

**j) Maximum quantum of benefits to be provided per employee under the ESOS 2017:**

The maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the market price of the shares as on the date of exercise of options. However in no case exceeding the then existing 1% of the issued share capital of the Company.

**k) Route of ESOS 2017 implementation:**

The ESOS 2017 shall be implemented and administered directly by the Company. In case Company wishes otherwise, it may be intimated to the members in due course as per applicable laws.

**l) Source of acquisition of shares under the ESOS 2017:**

The ESOS 2017 contemplates fresh/new issue of shares by the Company.

**m) Amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc:**

This is currently not contemplated under the present ESOS 2017.

**n) Maximum percentage of secondary acquisition:**

This is not relevant under the present ESOS 2017.

**o) Accounting and Disclosure Policies:**

The Company shall follow the IND AS/Guidance Note on Accounting for Employee Share-based Payments and/or any relevant Accounting Standards as may be prescribed by the competent authorities from time to time, including the disclosure requirements prescribed therein.

**p) Method of option valuation:**

The Company shall adopt 'Fair value method' for valuation Options as prescribed under applicable Guidance Note or under any relevant accounting standard notified by appropriate authorities from time to time.

**q) Declaration:**

In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed

and the employee compensation cost that shall have been recognized if it had used the fair value of the options and the impact of this difference on profits and on Earning Per Share ("EPS") of the company shall also be disclosed in the Directors' report.

The equity shares of the Company, so issued under ESOS 2017 shall be listed at the stock exchange/s where the existing shares are listed and traded in conformity with the applicable provisions of law for the time being in force and the SEBI Rules, Regulations and Guidelines.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent of the entitlements, if any, granted in due course under the ESOS 2017.

The Board recommends passing of the Resolution.

By Order of the Board  
For Mafatlal Industries Limited

Place: Mumbai  
Dated 5<sup>th</sup> May, 2017

**Ashish A. Karanji**  
Company Secretary

**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,  
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**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:**

<b>Name of the Director &amp; Brief Resume</b>	<b>Nature of Expertise in specific functional area</b>	<b>Disclosure of relationship between directors inter-se</b>	<b>Names of the Listed Entities in which the person holds the directorship and membership of the committees of the board.</b>	<b>Shareholding of Director in the Company</b>
<p>Shri Atul K Srivastava (63 years) (DIN 00046776)</p> <p>He is Graduate in Science and Chartered Accountant.</p> <p>He is Non-Executive Non-Independent Director of the Company.</p>	<p>Having experience of more than 44 years at various companies in financial, legal and commercial matters.</p>	<p>Not related to any Director or Promoter at any time.</p>	<p><b>Director of :</b></p> <p>Navin Fluorine International Limited</p> <p>Member of Stakeholders Relationship Committee</p> <p><b>Membership of the Committees of the Board of:</b></p> <p>Mafatlal Industries Limited:</p> <ul style="list-style-type: none"> <li>- Chairman of Stakeholders Relationship Committee</li> <li>- Member of Share Transfer Committee</li> <li>- Member of CSR Committee</li> </ul>	<p>He is not holding any Equity Shares in the Company.</p>
<p>Shri Priyavrata H. Mafatlal (29 years) (DIN 02433237)</p> <p>He is appointed as Executive Director of the Company for a period of five years w.e.f. 1<sup>st</sup> November, 2016 subject to the approval of the shareholders.</p>	<p>He is an Industrialist having diversified experience of more than 9 years in the areas of Textiles and other Businesses.</p>	<p>He is related to (son of) Shri Hrishikesh A. Mafatlal, Executive Chairman of the Company.</p>	<p>He is a non- executive director in Shamir Texchem Pvt. Ltd.</p> <p>He does not hold any Committee membership.</p>	<p>He holds 558722 equity shares of the Company of ₹10/- each</p>
<p>Shri Hrishikesh A. Mafatlal (63 years) (DIN 00009872)</p> <p>He has been on the Board of Directors of the Company since 1979.</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 is Executive Chairman of the Company.</p>	<p>He is an Industrialist having diversified experience of more than 41 years in the areas of Textiles, Chemicals, Petrochemicals, Financial Services etc.</p>	<p>He is related (father of) to Shri Priyavrata H. Mafatlal, Executive Director of the Company.</p>	<p><b>Executive Chairman of :</b></p> <p>Mafatlal Industries Ltd</p> <p>NOCIL Limited</p> <p><b>Membership of the Committees of the Board of:</b></p> <p>Mafatlal Industries Limited:</p> <ul style="list-style-type: none"> <li>- Chairman of Corporate Social Responsibility Committee</li> <li>- Member of Stakeholders Relationship Committee</li> <li>-Member of Share Transfer Committee</li> </ul> <p>NOCIL Limited:</p> <ul style="list-style-type: none"> <li>-Chairman of Corporate Social Responsibility Committee</li> <li>-Chairman of Share Transfer Committee</li> <li>-Member of Stakeholders Relationship Committee</li> <li>-Member of Nomination and Remuneration Committee</li> </ul>	<p>He holds 3176150 equity shares of the Company of ₹10/- each</p>

## Annexure III to the Notice

The information as required under para (iv) of Section II of Part II of Schedule V to the Companies Act, 2013 in respect of appointments of Shri Priyavrata H. Mafatlal, as Executive Director (Whole Time Director) and Shri Hrishikesh A. Mafatlal, as Executive Chairman of the Company for a period of five years w.e.f. 1<sup>st</sup> November, 2016:

### I. General Information :

#### (1) Nature of Industry:

The Company is engaged in the Manufacture and Sale of Textiles.

#### (2) Date or expected date of commencement of commercial production:

Not applicable

#### (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable

#### (4) Financial performance based on given indicators:

(₹ in Lakhs)

	Current Year (2016-17)	Previous Year (2015-16)
Total Turnover (Net) & other operational income	127022.28	132308.74
Profits before tax	-691.70	1883.88
Net Profit after tax	-214.53	1712.38

#### (5) Foreign investment or collaboration:

M/s. Al Fahim Linez LLC, Dubai (UAE), is a Joint Venture wherein the Company's shareholding is 49%. The same is under voluntary winding-up/closure.

### II. Information about the appointee:

#### (1) Background details:

Shri Priyavrata H. Mafatlal, (DIN 02433237) aged 29 years, has done his Master of Commerce from Mumbai University in 2010 after completing Bachelor in Management Studies (with specialization in Marketing) in 2008. He has attended 3 Tier Management Programme at IIM, Ahmedabad and also done Fashion Business Course from Istituto Marangoni, London (UK). He has worked as Management Trainee in NOCIL Ltd., Navin Fluorine International Limited as also Mafatlal Denim Limited (now merged with the Company) during 2008-2010 and has gained varied experience and exposure in working with different businesses and divisions.

#### (2) Shri Hrishikesh A. Mafatlal (DIN 00009872), 63 years of age, is currently Executive Chairman of the Board of Directors of the Company. He has been on the Board of Directors of the Company since 1979. He did graduation in

Commerce with Honors, from Sydenham College and also Completed Advance Management Programme (AMP) at Harvard Business School, USA. He is an Industrialist having diversified experience of more than 41 years in the areas of Textiles, Chemicals, Petrochemicals, and Financial Services etc. Recently, he was appointed as Executive Chairman of NOCIL Limited.

#### (3) Past Remuneration:

Shri Priyavrata H. Mafatlal, has been working as a General Manager (Mktg.) as per the past approval of the shareholders of the Company and has been paid remuneration of ₹16.98 lakhs from 1<sup>st</sup> April, 2016 till 31<sup>st</sup> October, 2016. The Board has appointed him as Executive Director w. e. f. 1<sup>st</sup> November, 2016 subject to the approval of the shareholders of the Company.

Shri Hrishikesh A. Mafatlal has been Non-Executive Chairman (Promoter Director) of the Company until 30<sup>th</sup> October, 2016. He has been paid sitting fees of ₹1.75 lakhs for attending the meetings of the Board and Committees thereof. The Board of Directors of the Company has appointed him as Executive Chairman of the Company w.e.f. 1<sup>st</sup> November, 2016 subject to the approval of the shareholders of the Company. He has voluntarily not taken any remuneration as Executive Chairman for the period 1<sup>st</sup> November, 2016 till 31<sup>st</sup> March, 2017.

#### (4) Job Profile and suitability:

Shri Priyavrata H. Mafatlal has gained varied experience and exposure in working with different businesses and divisions of the Company as well other group companies for over 9 years. Looking to his overall exposure and experience and responsibilities shouldered by him, he is suitable for the position.

Shri Hrishikesh A. Mafatlal, is an Industrialist having diversified experience of more than 41 years in the areas of Textiles, Chemicals, Petrochemicals, and Financial Services etc Looking to his overall exposure and experience and responsibilities shouldered by him, he is suitable for the position.

#### (5) Remuneration proposed:

The remuneration proposed for Shri Priyavrata H. Mafatlal and Shri Hrishikesh A. Mafatlal is mentioned in Explanatory Statement in respect of item number 6 and 7 of the Notice convening 103rd Annual General Meeting.

#### (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Considering the size of the Company, the industry bench marks, experience of the appointees and the responsibilities to be shouldered by each of the appointee, the proposed remuneration commensurate with the remuneration paid to similar appointees in other companies.



**(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Except for the proposed remuneration, Shri Priyavrata H. Mafatlal and Shri Hrishikesh A. Mafatlal do not have any pecuniary relationship directly or indirectly with the Company or managerial personnel of the Company. They both are related to one another. (Shri Hrishikesh A. Mafatlal is father of Shri Priyavrata H. Mafatlal)

**III. Other Information:**

**(1) Reasons of loss or inadequate profits:**

At the macro level the factors like a steep increase in Cotton prices, impact of demonetisation on retail demand and a slump in the Denim industry impacted the performance of the Company. Further for FY 2016-17, the Company had higher Finance Cost & Depreciation charge since we have implemented the capacity expansion projects leading to higher term borrowings and increase in fixed assets. Further operating margins were squeezed because of higher Cotton prices on one side and intense competition and weaker demand Denim curtailed selling prices on the other side.

**(2) Steps taken or proposed to be taken for improvement:**

The focus of the Company for the year under review has also been to invest in upgrading its facilities at both the Textiles and Denim Divisions and to add balancing equipment which would result in either increasing throughputs and/or reducing the cost of production. To this end, the net addition to Fixed Assets had been ₹10,196.21 Lakhs. The full benefits of these projects shall accrue in subsequent years.

**(3) Expected increase in productivity and profits in measurable terms:**

Your Company's future growth will be driven by volume growth across all of its three strategic business units. In the immediate future your Company will focus on its core strengths investment in equipments which has been made is aimed at improving operating margins leading to increased throughput, improved product-mix and reducing manufacturing cost is expected to drive substantial growth in the bottom-line of the Company during the next year. Your Company is also building further on its current presence in B2C market as it offers substantial opportunity of growth in medium term. On the whole, our Company is optimistic for the outlook of growth in the short to medium term in terms of total revenues/turnover and operating margins considering overall expected positive trend in textiles industry.

August 2, 2017

To,  
**Bombay Stock Exchange Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400001

**BSE Code: 500264**

Dear Sir,

**Sub: Proceedings/Outcome of the 103<sup>rd</sup> Annual General Meeting of the Company held on 2<sup>nd</sup> August, 2017 along with voting results and Scrutinizer's Report.**

We are pleased to forward herewith the following reports with respect to the 103<sup>rd</sup> Annual General Meeting of the Company (AGM) held on 2<sup>nd</sup> August, 2017 at 10.00 A.M. at J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad 380 015.

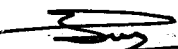
1. Summary of proceedings of the AGM as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Annexure-I)
2. Voting Results pursuant to Regulation 44(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Annexure-II)
3. Scrutinizer's Report dated 2<sup>nd</sup> August, 2017 pursuant to Section 108 of the Companies Act, 2013 and Rule 20(4) (xii) of the Companies (Management and Administration) Rules, 2014. (Annexure – III)
4. Annual Report for the Financial Year 2016-17 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the Members as per the Provisions of the Companies Act, 2013.

Kindly Note that the Dividend as approved at the AGM will be paid from 8<sup>th</sup> August, 2017.

We request you to take the above information on record.

Thanking you,

Yours faithfully,  
**For Mafatlal Industries Limited**

  
**Ashish A. Karanji**  
**Company Secretary**  
Encl. – As above

**Annexure – I**

**Summary of Proceedings of the 103<sup>rd</sup> Annual General Meeting of the Company.**

The 103<sup>rd</sup> Annual General Meeting (AGM) of the Members of the Company was held on 2<sup>nd</sup> August, 2017 at 10.00 A.M. at J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad 380 015.

The Meeting was Chaired by Shri Hrishikesh A. Mafatlal, Chairman of the Board of Directors of the Company. Shri V. R. Gupte, Shri P. N. Kapadia, Shri A. K. Srivastava, Smt. Latika Pradhan, Shri G. G. Chakravarti, Shri S. A. Shah, Shri P. H. Mafatlal and Shri Aniruddha P. Deshmukh, all Directors of the Company were present. The requisite quorum being present, the Chairman called the Meeting to order.

The Chairman informed the Members present that the Company had provided to its Members the facility to cast their votes electronically, on all the resolutions set forth in the Notice dated 5<sup>th</sup> May, 2017. Members who are present at the AGM but had not cast their votes electronically were provided with an opportunity to cast their votes by Physical Ballot at the end of the Meeting.

The following items of the Business, as per the Notice of the AGM dated 5<sup>th</sup> May, 2017 were transacted at the Meeting.

1. Adoption of Audited Financial Statements (Standalone & Consolidated both) including the statement of Profit and Loss for the year ended 31st March, 2017 and Balance sheet as at date, the Director's Report and Auditors' Report thereon. (Ordinary Resolution)
2. Declaration of Dividend for the Year 2016-17. (Ordinary Resolution)
3. Appointment of Shri A. K. Srivastava who retires by rotation. (Ordinary Resolution)
4. Appointment of M/s. Price Waterhouse, Chartered Accountants, LLP, as Auditors of the Company. (Ordinary Resolution)
5. Appointment of Shri. Priyavrata H. Mafatlal as Director of the Company. (Ordinary Resolution)
6. Appointment of Shri Priyavrata H. Mafatlal as Executive Director (Whole Time Director) of the Company. (Special Resolution)
7. Appointment of Shri Hrishikesh A. Mafatlal as Executive Chairman. (Special Resolution)
8. Approval of payment of Managerial Remuneration paid to Shri Aniruddha P. Deshmukh as Managing Director & CEO of the Company and waiver of the excess remuneration paid. (Special Resolution)
9. Approval of payment of Managerial Remuneration paid to Shri Priyavrata H. Mafatlal, Executive Director of the Company (w.e.f.1.11.2016) and the waiver of excess remuneration paid. (Special Resolution)





10. Approval of payment of Managerial Remuneration paid to Shri Vishad P. Mafatlal, Executive Vice-Chairman of the Company (up to 19th August, 2016) and the waiver of excess remuneration paid. (Special Resolution)
11. Approval of Remuneration payable to Shri B. C. Desai, Cost Accountant, Ahmedabad as Cost Auditor of the Company for the year 2017-18 under Section 148(3) of the Companies Act, 2013. (Ordinary Resolution)
12. Approval of the Issue of 6,95,000 Equity shares of Rs.10/- each under Mafatlal Employee Stock Option Scheme, 2017 to the Employees of the Company. (Special Resolution)

The Chairman thereafter invited the Members for their views/queries on the Financial Statements and also the performance of the Company and such other matters. Required clarifications were provided by the Chairman to the Members.

The Chairman also informed the Members Shri Umesh Ved, Practicing Company Secretary is appointed as Scrutinizers for remote e-voting process and also the voting/poll at the AGM.

Thereafter, the Chairman advice all members present to cast their vote and put it in the Ballot Box kept at the AGM Hall. Accordingly, Members' cast their vote by Polling Paper.

After checking there is no member left out from voting, the Chairman announced the Meeting conclusion at 12.30 P.M.

The Ballot Box was taken in custody by Shri Umesh Ved, Scrutinizers for calculating voting and preparing Result.

The Scrutinizer has submitted the Voting Result to the Chairman and based on the Scrutinizer's Report, all the Resolutions as set in the Notice dated 5<sup>th</sup> May, 2017 have been passed with requisite majority.

Kindly take this information on records.

Thanking you,

Yours faithfully,  
**For Mafatlal Industries Limited**

  
**Ashish A. Karanjil**  
Company Secretary

NAME: MAFATLAL INDUSTRIES LTD

SLNO	DESCRIPTION					
A	DATE OF AGM		02-08-2017			
B	BOOK CLOSURE DATE		27-07-2017 TO 02-08-2017 ( BOTH DAYS INCLUSIVE )			
C	TOTAL NUMBER OF SHAREHOLDERS ON RECORD DATE		105954			
D	NO OF SHAREHOLDERS PRESENT IN THE MEETING EITHER IN PERSON OR THROUGH PROXY.		205			
	SHAREHOLDERS	PRESENT IN PERSON	PRESENT THROUGH PROXY	TOTAL	SHARES	% TO CAPITAL
	PROMOTER AND PROMOTER GROUP ( )	3	46	49	7676765	55.17737
	PUBLIC	156	0	156	49165	0.35338
	TOTAL	159	46	205	7725930	55.53075
E	No. of shareholders attended the meeting through Video conferencing _____, No video conferencing facility was made available.					





Date of the AGM/EGM	MAFATIL INDUSTRIES LTD
Total number of shareholders on record date	02-08-2017
No. of shareholders present in the meeting either in person or through proxy:	105954
Promoters and Promoter Group:	49
Public:	156
No. of Shareholders attended the meeting through Video Conferencing	
Promoters and Promoter Group:	Not Applicable
Public:	Not Applicable

Resolution No.	1									
Resolution required: (Ordinary/ Special)	ORDINARY - Ordinary Resolution - Adoption of Director's Report, Audited Financial Statements for the year ended 31st March, 2017 and Auditors' Report thereon.									
Whether promoter/ promoter group are interested in the agenda/resolution?	Yes									
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100		
Promoter and Promoter Group	E-Voting		10414785	100.0000	10414785	0	100.0000	0.0000		
	Poll		0	0.0000	00	0	0.0000	0.0000		
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000		
	Total		10414785	100	10414785	0	100	0		
Public- Institutions	E-Voting		39078	10.8069	39078	0	100.0000	0.0000		
	Poll		0	0.0000	00	0	0.0000	0.0000		
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000		
	Total		39078	10.8069	39078	0	100	0		
Public- Non Institutions	E-Voting		214	0.0068	194	20	90.6542	9.3457		
	Poll		3136500	0.0209	652	2	99.6941	0.3058		
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000		
	Total		868	0.0277	846	22	97.4654	2.5346		
		10414785	100	10414785	0	100	0			
		39078	10.8069	39078	0	100	0			
		214	0.0068	194	20	90.6542	9.3457			
		3136500	0.0209	652	2	99.6941	0.3058			
		0	0.0000	00	0	0.0000	0.0000			
		868	0.0277	846	22	97.4654	2.5346			
		10414785	100	10414785	0	100	0			

Resolution No.	2
Resolution required: (Ordinary/ Special)	ORDINARY - Ordinary Resolution - Declaration of Dividend for the Year 2016-17.
Whether promoter/ promoter group are interested in the agenda/resolution?	Yes



Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting							
	Poll	10414785	10414785	100.0000	10414785	0	100.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		10414785	100	10414785	0	100	0
Public- Institutions	E-Voting		39078	10.8069	39078	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		39078	10.8069	39078	0	100	0
Public- Non Institutions	E-Voting		214	0.0068	194	20	90.6542	9.3457
	Poll	3136500	654	0.0209	652	2	99.6941	0.3058
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total		868	0.0277	846	22	97.4654	2.5346
	Total	43112886	10454721	75.1442	10454709	12	99.9988	0.0002

Resolution No.	3									
Resolution required: (Ordinary/ Special)	ORDINARY - Ordinary Resolution - Re-appointment of Shri A. K. Sivastava who retires by rotation.									
Whether promoter/ promoter group are interested in the agenda/resolution?	Yes									
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)] * 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)] * 100	% of Votes against on votes polled (7)=[(5)/(2)] * 100		
Promoter and Promoter Group	E-Voting	10414785	10414785	100.0000	10414785	0	100.0000	0.0000		
	Poll		0	0.0000	00	0	0.0000	0.0000		
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000		
	Total		10414785	100	10414785	0	100	0		
	E-Voting			39078	10.8069	39078	0	100.0000	0.0000	
Public- Institutions	Poll	361601	0	0.0000	00	0	0.0000	0.0000		
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000		
	Total		39078	10.8069	39078	0	100	0		
	E-Voting		214	0.0068	194	20	90.6542	9.3457		



Public- Non Institutions	Poll		650	0.0207	648	2	99.6923	0.3076
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	Total	3136500	864	0.0275	842	22	97.4587	2.5413
Total		3136500	10454785	75.1442	10454785	22	99.6923	0.3076

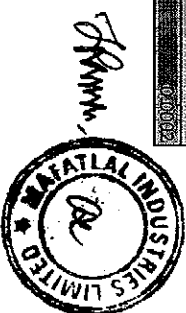
Resolution No.	4							
Resolution required: (Ordinary/ Special)	ORDINARY - Ordinary Resolution -Appointment of Auditors and fixing their remuneration.							
Whether promoter/ promoter group are interested in the agenda/resolution?	Yes							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)] * 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
	E-Voting		10414785	100.0000	10414785	0	100.0000	0.0000
	Poll	10414785	0	0.0000	00	0	0.0000	0.0000
Promoter and Promoter Group	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	E-Voting		10414785	100	10414785	0	100	0.0000
	Poll		39078	10.8069	39078	0	100.0000	0.0000
Public- Institutions	Postal Ballot (if applicable)	361601	0	0.0000	00	0	0.0000	0.0000
	E-Voting		39078	10.8069	39078	0	100	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
Public- Non Institutions	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000
	E-Voting		3136500	100.0000	3136500	0	100.0000	0.0000
	Poll		0	0.0000	00	0	0.0000	0.0000
Total			868	0.0277	846	22	97.4654	2.5345
Total		3136500	10454785	75.1442	10454785	22	99.6998	0.3001

Resolution No.	5							
Resolution required: (Ordinary/ Special)	ORDINARY - Ordinary Resolution -Appointment of Smt. Priyavrata H. Mafatal as Additional Director.							
Whether promoter/ promoter group are interested in the agenda/resolution?	Yes							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – In favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
	E-Voting							
	Poll	3136500	0	0.0000	00	0	0.0000	0.0000
Total		3136500	0	0.0000	00	0	0.0000	0.0000



Promoter and Promoter Group	E-Voting	10414785	100.0000	10414785	0	100.0000	0.0000
	Poll	0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)	0	0.0000	00	0	0.0000	0.0000
	Total	10414785	100	10414785	0	100	0
	E-Voting	39078	10.8069	39078	0	100.0000	0.0000
Public- Institutions	Poll	0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)	0	0.0000	00	0	0.0000	0.0000
	Total	39078	10.8069	39078	0	100	0
	E-Voting	214	0.0068	194	20	90.6542	9.3457
	Poll	654	0.0209	652	2	99.6941	0.3058
Public- Non Institutions	Postal Ballot (if applicable)	0	0.0000	00	0	0.0000	0.0000
	Total	868	0.0277	846	22	97.4654	2.5346
	E-Voting	13912885	104.4785	13912885	0	100.0000	0.0000
	Poll	0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)	0	0.0000	00	0	0.0000	0.0000
Total	Total	13912885	104.4785	13912885	0	100.0000	0.0000

Resolution No.	6							
Resolution required: (Ordinary/Special)	SPECIAL - Special Resolution- Appointment of Shri Priyavrat H. Mafatlal as Executive Director.							
Whether promoter/ promoter group are interested in the agenda/resolution?	Yes							
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes - In favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]* 100
Promoter and Promoter Group	E-Voting	10414785	10414785	100.0000	10414785	0	100.0000	0.0000
	Poll	0	0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)	0	0	0.0000	00	0	0.0000	0.0000
	Total	10414785	10414785	100	10414785	0	100	0
	E-Voting	39078	39078	10.8069	39078	0	100.0000	0.0000
Public- Institutions	Poll	0	0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)	0	0	0.0000	00	0	0.0000	0.0000
	Total	39078	39078	10.8069	39078	0	100	0
	E-Voting	214	214	0.0068	194	20	90.6542	9.3457
	Poll	654	654	0.0209	652	2	99.6941	0.3058
Public- Non Institutions	Postal Ballot (if applicable)	0	0	0.0000	00	0	0.0000	0.0000
	Total	868	868	0.0277	846	22	97.4654	2.5346
	E-Voting	13912885	13912885	104.4785	13912885	0	100.0000	0.0000
	Poll	0	0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)	0	0	0.0000	00	0	0.0000	0.0000



Resolution No.	7	SPECIAL - Special Resolution-ApPOINTment of Shri Hrishikesh A. Matfetal as Executive Chairman.									
Resolution required: (Ordinary/ Special)	SPECIAL	Whether promoter/ promoter group are interested in the agenda/resolution?	Yes								
Category		Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100		
Promoter and Promoter Group		E-Voting		10414785	100.0000	10414785	0	100.0000	0.0000		
		Poll		0	0.0000	00	0	0.0000	0.0000		
		Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000		
		Total		10414785	100	10414785	0	100	0		
		E-Voting		39078	10.8069	39078	0	100.0000	0.0000		
Public Institutions		Poll		0	0.0000	00	0	0.0000	0.0000		
		Postal Ballot (if applicable)		361601	0	00	0	0.0000	0.0000		
		Total		39078	10.8069	39078	0	100	0		
		E-Voting		214	0.0068	194	20	90.6542	9.3457		
		Poll		650	0.0207	648	2	99.6923	0.3076		
Public- Non Institutions		Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000		
		Total		864	0.0275	842	22	97.4537	2.5463		
		E-Voting		13912886	104.4727	1044727	22	99.9998	0.0002		
		Poll		0	0.0000	00	0	0.0000	0.0000		
		Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000		

Resolution No.	8	SPECIAL - Special Resolution-To approve the remuneration paid to Shri Aniruddha P. Deshmukh, Managing Director & Chief Executive Officer (MD & CEO) for the year 2016-17 and waiver of excess remuneration paid.									
Resolution required: (Ordinary/ Special)	SPECIAL	Whether promoter/ promoter group are interested in the agenda/resolution?	Yes								
Category		Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100		
Promoter and Promoter Group		E-Voting		10414785	100.0000	10414785	0	100.0000	0.0000		
		Poll		0	0.0000	00	0	0.0000	0.0000		
		Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000		
		Total		10414785	100	10414785	0	100	0		
		E-Voting		0	0.0000	00	0	0.0000	0.0000		

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	Total	10414785	100	10414785	0	100	0	100	0
	E-Voting	39078	10.8069	39078	0	100.0000	0.0000	0.0000	0.0000
	Poll	0	0.0000	00	0	0.0000	0.0000	0.0000	0.0000
	Postal Ballot (if applicable)	361601	0	00	0	0.0000	0.0000	0.0000	0.0000
	Total	39078	10.8069	39078	0	100	0	100	0
Public- Institutions	E-Voting	214	0.0068	190	24	88.7850	11.2149	0.0000	0.0000
	Poll	650	0.0207	648	2	99.6923	0.3076	0.0000	0.0000
	Postal Ballot (if applicable)	0	0.0000	00	0	0.0000	0.0000	0.0000	0.0000
	Total	864	0.0275	838	26	96.9907	3.0093	0.0000	0.0000
Public- Non Institutions	Total	864	0.0275	838	26	96.9907	3.0093	0.0000	0.0000
	Total	10414785	100	10414785	0	100	0	100	0
	Total	10414785	100	10414785	0	100	0	100	0

Resolution No. 9

SPECIAL - Special Resolution-To approve the remuneration paid to Shri Priyavrat H. Mafatal, Executive Director for the year 2016-17 and to approve the waiver of excess remuneration paid.

Resolution required: (Ordinary/ Special)

Whether promoter/ promoter group are interested in the agenda/resolution?

Yes

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)] * 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	10414785	10414785	100.0000	10414785	0	100.0000	0.0000
	Poll	0	0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)	0	0	0.0000	00	0	0.0000	0.0000
	Total	10414785	10414785	100	10414785	0	100	0
Public- Institutions	E-Voting	39078	39078	10.8069	39078	0	100.0000	0.0000
	Poll	0	0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)	361601	0	0.0000	00	0	0.0000	0.0000
	Total	39078	39078	10.8069	39078	0	100	0
Public- Non Institutions	E-Voting	214	190	0.0068	190	24	88.7850	11.2149
	Poll	650	648	0.0207	648	2	99.6923	0.3076
	Postal Ballot (if applicable)	0	00	0.0000	00	0	0.0000	0.0000
	Total	864	838	0.0275	838	26	96.9907	3.0093
	Total	10414785	10414785	100	10414785	26	99.9998	0.0002

Resolution No. 10

10



Resolution required: (Ordinary/ Special)	SPECIAL - Special Resolution - To approve the remuneration paid to Shri V. P. Matfatal, Executive Vice- Chairman (up to 19th August, 2016) for the year 2016-17 and to approve the waiver of excess remuneration paid.									
Whether promoter/ promoter group are interested in the agenda/ resolution?	Yes									
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100		
Promoter and Promoter Group	E-Voting		10414785	100.0000	10414785	0	100.0000	0.0000		
	Poll		0	0.0000	00	0	0.0000	0.0000		
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000		
	Total		10414785	100	10414785	0	100	0.0000		
	E-Voting		39078	10.8069	39078	0	100.0000	0.0000		
Public- Institutions	Poll	361601	0	0.0000	00	0	0.0000	0.0000		
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000		
	Total		39078	10.8069	39078	0	100	0.0000		
	E-Voting		214	0.0068	190	24	88.7850	11.2149		
	Poll	3136500	650	0.0207	648	2	99.6923	0.3076		
Public- Non Institutions	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000		
	Total		864	0.0275	838	26	96.9907	3.0093		
	E-Voting		13916386	104.4727	1044727	26	99.9998	0.0002		
	Poll		0	0.0000	00	0	0.0000	0.0000		
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000		

Resolution No.	11									
Resolution required: (Ordinary/ Special)	ORDINARY - Ordinary Resolution -To Approve payment of remuneration to Shri B. C. Desai, Cost Accountant, Ahmedabad as Cost Auditor of the Company for the year 2017-18.									
Whether promoter/ promoter group are interested in the agenda/ resolution?	Yes									
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100		
	E-Voting		10414785	100.0000	10414785	0	100.0000	0.0000		
	Poll		0	0.0000	00	0	0.0000	0.0000		
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000		
Promoter and Promoter Group										



	Total	10414785	100	10414785	0	100	0
	E-Voting	39078	10.8069	39078	0	100.0000	0.0000
	Poll	0	0.0000	00	0	0.0000	0.0000
	Postal Ballot (if applicable)	361601	0	00	0	0.0000	0.0000
Public- Institutions	Total	39078	10.8069	39078	0	100	0
	E-Voting	214	0.0068	194	20	90.6542	9.3457
	Poll	650	0.0207	648	2	99.6923	0.3076
	Postal Ballot (if applicable)	0	0.0000	00	0	0.0000	0.0000
Public- Non Institutions	Total	864	0.0275	842	22	97.4537	2.5463
	Total	3912886	104.4727	104.4705	22	99.9998	0.0002

Resolution No.	12	SPECIAL - Special Resolution-To approve issue of Equity shares 6,95,000 under Matatalal Employee Stock Option Scheme 2017 in compliance with the SEBI Regulations and Listing Guidelines to the Employees of the Company.									
Resolution required: (Ordinary/Special)											
Whether promoter/ promoter group are interested in the agenda/resolution?	Yes										
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)] * 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)] * 100	% of Votes against on votes polled (7)=[(5)/(2)] * 100			
	E-Voting		10414785	100.0000	10414785	0	100.0000	0.0000			
	Poll	10414785	0	0.0000	00	0	0.0000	0.0000			
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000			
	Total	10414785	100	10414785	100	0	100	0.0000			
Promoter and Promoter Group	E-Voting		39078	10.8069	39078	0	100.0000	0.0000			
	Poll		0	0.0000	00	0	0.0000	0.0000			
	Postal Ballot (if applicable)	361601									
Public- Institutions	Total		39078	10.8069	39078	0	100	0.0000			
	E-Voting		214	0.0068	194	20	90.6542	9.3457			
Public- Non Institutions	Poll	3136500	650	0.0207	648	2	99.6923	0.3076			
	Postal Ballot (if applicable)		0	0.0000	00	0	0.0000	0.0000			
	Total		864	0.0275	842	22	97.4537	2.5463			
Total		3912886	104.4727	104.4705	100	22	99.9998	0.0002			

For, Matatalal Industries Limited

ASHISH A. KARANJJI  
Company Secretary





**UMESH VED & ASSOCIATES**  
**Company Secretaries**

304, Shoppers Plaza-V, Opp. Municipal Market, C. G. Road, Navrangpura, Ahmedabad - 380 009.  
Telefax : (O) +91 79 30024153/ 30070889-90 • Moblie +91 98250 35998  
E mail : info@umeshvedcs.com, umeshvedcs.office@airtelmail.in • Website : www.umeshvedcs.com

**FORM NO. MGT-13**

**CONSOLIDATED SCRUTINIZER'S REPORT**

[Pursuant to section 108 & 109 of the Companies Act, 2013 and Companies  
(Management and Administration) Rules, 2014 as amended]

To,  
The Chairman,  
**Mafatlal Industries Limited**  
301-302, Heritage Horizon,  
3<sup>rd</sup> Floor, Off: C.G. Road,  
Navrangpura,  
Ahmedabad-380009

**Re: 103<sup>rd</sup> Annual General Meeting (AGM) of Mafatlal Industries Limited held  
on Wednesday, the 02<sup>nd</sup> August, 2017 at 10:00 a.m. at J.B. Auditorium,  
Ahmedabad Management Association, ATIRA Campus, Dr. Vikram  
Sarabhai Marg , Vastrapur, Ahmedabad-380015, Gujarat.**

Dear Sir,

I, Umesh Ved, Proprietor of M/s. Umesh Ved & Associates, Company Secretaries, Ahmedabad, was appointed as Scrutinizer for the purpose of scrutinizing the Remote E-Voting process and voting at the Annual General Meeting ("AGM") pursuant to Section 108 & 109 of the Companies Act, 2013 read with rule 20 of Companies (Management and Administration) Rules, 2014, as amended on the resolutions contained in the Notice to the 103<sup>rd</sup> AGM of the Members of "Mafatlal Industries Limited" (the Company) held on Wednesday, the 02<sup>nd</sup> August, 2017 at 10:00 a.m. at J.B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad-380015, Gujarat.



My responsibility as a scrutinizer for the voting process is restricted to preparing a Scrutinizer's Report of the vote cast "in favour" or "against" the resolution(s) based on the reports generated from the Remote e-voting system provided by the Karvy Computershare Private Limited (the Agency/ service provider) and the Polling at the AGM.

I submit my report as under:

- i. The shareholders of the Company holding shares as on the "cut-off" date 26<sup>th</sup> July, 2017, were entitled to vote on the proposed resolutions as set out in item nos. 1 to 12 in the Notice of the 103<sup>rd</sup> AGM of Mafatlal Industries Limited.
- ii. The facility provided for Remote E-Voting commenced from 9.00 A.M. on Sunday, the 30<sup>th</sup> July, 2017 and ended on 5.00 P.M. on Tuesday, the 01<sup>st</sup> August, 2017. The Remote E -voting facility was blocked thereafter.
- iii. At the venue of the AGM the facility to cast vote by poll was provided to facilitate those members present at the AGM who could not participate through Remote E-voting, to record their votes. After counting of the votes conducted at the venue of the AGM through Ballot, the votes cast through Remote E- voting were unblocked by me in the presence of two witnesses, namely, Ms. Jasmin Majithia and Ms. Pankti Thakkar who are not in employment of the company, They have signed below in confirmation of the votes being unblocked in their presence.

J. H. Majithia.

Jasmin Majithia

Pankti

Pankti Thakkar

- iv. The voting done through Remote E-voting and Polling at the meeting were reconciled with the records maintained by the RTA and the authorizations / proxies lodged with the Company.
- v. The result of the Remote e-voting as well as Polling at the AGM is as under:





- (1). **ORDINARY RESOLUTION** Adoption of Audited Financial Statements (Standalone & Consolidated both) including the statement of Profit and Loss for the year ended 31st March, 2017 and Balance sheet as at date, the Director's Report and Auditors' Report thereon.

Voted in Favour of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	63	10454057	99.998
Poll	27	652	99.69
Total	90	10454709	99.99

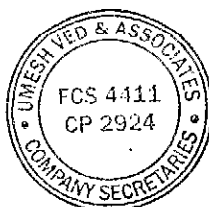
Voted against of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	3	20	0.0002
Poll	1	2	0.3058
Total	4	22	0.0002

- (2) **ORDINARY RESOLUTION FOR** Declaration of Dividend for the Year 2016-17.

Voted in Favour of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	63	10454057	99.998
Poll	27	652	99.69
Total	90	10454709	99.99



Voted against of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	3	20	0.0002
Poll	1	2	0.3058
Total	4	22	0.0002

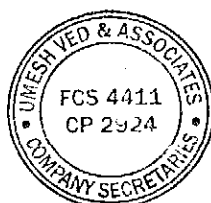
(3) **ORDINARY RESOLUTION** for Re-appointment of Shri A. K. Srivastava who retires by rotation.

Voted in Favour of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	63	10454057	99.998
Poll	26	648	99.69
Total	89	10454705	99.99

Voted against of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	3	20	0.0002
Poll	1	2	0.3058
Total	4	22	0.0002



- (4) **ORDINARY RESOLUTION** For Appointment of M/s. Price Waterhouse, Chartered Accountants, LLP, as Auditors of the Company.

Voted in Favour of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	63	10454057	99.998
Poll	27	652	99.69
Total	90	10454709	99.99

Voted against of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	3	20	0.0002
Poll	1	2	0.3058
Total	4	22	0.0002

- (5) **ORDINARY RESOLUTION** to Appointment of Shri Priyavrata H. Mafatlal as Director of the Company

Voted in Favour of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	63	10454057	99.998
Poll	27	652	99.69
Total	90	10454709	99.99



Voted against of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	3	20	0.0002
Poll	1	2	0.3058
Total	4	22	0.0002

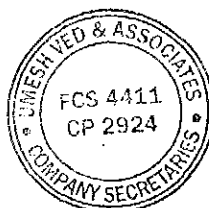
- (6) **SPECIAL RESOLUTION** for Appointment of Shri Priyavrata H. Mafatlal as Whole Time Director (Executive Director) of the Company for a period of Five years with effect from 1<sup>st</sup> November, 2016.

Voted in Favour of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	63	10454057	99.998
Poll	27	652	99.69
Total	90	10454709	99.99

Voted against of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	3	20	0.0002
Poll	1	2	0.3058
Total	4	22	0.0002



- (7) **SPECIAL RESOLUTIONS** for Appointment of Shri Hrishikesh A. Mafatlal as Executive Chairman of the company for a period of Five years with effect from 1<sup>st</sup> November ,2016.

Voted in Favour of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	63	10454057	99.998
Poll	26	648	99.69
Total	89	10454705	99.99

Voted against of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	3	20	0.0002
Poll	1	2	0.3058
Total	4	22	0.0002

- (8) **SPECIAL RESOLUTION** to approve the remuneration paid to Shri Aniruddha P. Deshmukh, Managing Director & Chief Executive Officer (MD & CEO) for the year 2016-17 and waiver of excess remuneration paid.

Voted in Favour of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	62	10454053	99.998
Poll	26	648	99.69
Total	88	10454701	99.99



## Voted against of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	4	24	0.0002
Poll	1	2	0.3058
Total	5	26	0.0002

- (9) **SPECIAL RESOLUTION** to approve the remuneration paid to Shri Priyavrata H. Mafatlal, Executive Director (w.e.f. 1<sup>st</sup> November, 2016) for the year 2016-17 and to approve the waiver of excess remuneration paid.

## Voted in Favour of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	62	10454053	99.998
Poll	26	648	99.69
Total	88	10454701	99.99

## Voted against of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	4	24	0.0002
Poll	1	2	0.3058
Total	5	26	0.0002



- (10) **SPECIAL RESOLUTION** to approve the remuneration paid to Shri V. P. Mafatlal, Executive Vice- Chairman (up to 19th August, 2016) for the year 2016-17 and to approve the waiver of excess remuneration paid.

Voted in Favour of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	62	10454053	99.998
Poll	26	648	99.69
Total	88	10454701	99.99

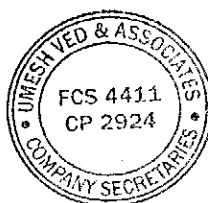
Voted against of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	4	24	0.0002
Poll	1	2	0.3058
Total	5	26	0.0002

- (11) **ORDINARY RESOLUTION** to Approve payment of remuneration to Shri B. C. Desai, Cost Accountant, Ahmedabad as Cost Auditor of the Company for the year 2017-18.

Voted in Favour of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	63	10454057	99.998
Poll	26	648	99.69
Total	89	10454705	99.99





Voted against of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	3	20	0.0002
Poll	1	2	0.3058
Total	4	22	0.0002

(12) **SPECIAL RESOLUTION** to approve issue of Equity shares 6,95,000 under Mafatlal Employee Stock Option Scheme 2017 in compliance with the SEBI Regulations and Listing Guidelines to the Employees of the Company.

Voted in Favour of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	63	10454057	99.998
Poll	26	648	99.69
Total	89	10454705	99.99

Voted against of the Resolution

Type of Voting	Number of members present and voting (in person or by proxy)	Number of Votes Cast by them	% of total number of Valid votes cast
E voting	3	20	0.0002
Poll	1	2	0.3058
Total	4	22	0.0002



- vi. 4 polling papers were found Invalid and 1 polling paper found abstained for the resolution No. 3 and 7 to 12.
- vii. All the resolutions mentioned in the AGM Notice as per details above accordingly stand passed with requisite majority.
- viii. The Electronic data and all other relevant records relating to Remote e-voting and electronic voting conducted at the AGM is under my safe custody and all will be handed over to the Company Secretary for preserving safely after the Chairman considers, approves and signs the minutes of AGM.

Thanking You,

Yours faithfully,

*Umesh H. Ved*

Umesh Ved

FCS No : 4411

CP No : 2924



Date: 02<sup>nd</sup> August, 2017

Place: Ahmedabad

For, Mafatlal Industries Limited

*H. A. Mafatlal*  
HAM

(H. A. Mafatlal)

Chairman for

Resolution Nos

1, 2, 3, 4, 8, 11 & 12

For, Mafatlal Industries Limited

*V. R. Gupta*  
VRG

(V. R. Gupta)

Chairman for

Resolutions:

Nos 5, 6, 7, 9 & 10

*Mafatlal*

MAFATLAL INDUSTRIES LIMITED



**103<sup>rd</sup>  
ANNUAL REPORT  
2016-17**



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 set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', projects, intends', 'plans', believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these 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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96	Consolidated Financial Statements

## Corporate Information

### Mafatlal Industries Limited

(CIN L17110GJ1913PLC000035)

### Board of Directors

Shri H. A. Mafatlal	(DIN:00009872)	Chairman
Shri V. R. Gupte	(DIN:00011330)	Director
Shri P. N. Kapadia	(DIN:00078673)	Director
Shri A. K. Srivastava	(DIN:00046776)	Director
Smt. L. P. Pradhan	(DIN:07118801)	Director
Shri G. G. Chakravarti	(DIN:00004399)	Director
Shri S. A. Shah	(DIN:00058019)	Director
Shri Aniruddha P. Deshmukh	(DIN: 01389267)	Managing Director & CEO
Shri Priyavrata H. Mafatlal	(DIN: 02433237)	Executive Director
(w.e.f. 01.11.2016)		
Shri P. R. Amin	(DIN:00171677) (upto 11.08.2016)	Director
Shri V. P. Mafatlal	(DIN:00011350)	Executive
(upto 19.08.2016)		Vice-Chairman

### Company Secretary

Shri Ashish A. Karanji

### Auditors

Deloitte Haskins & Sells  
Chartered Accountants

### Solicitors

Vigil Juris, Mumbai

### Registered Office

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

### Corporate Office

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

### Units / Factories:

#### Nadiad:

Kapadvanj Road, Nadiad-387 001

#### Navsari:

Vejalpore Road, Navsari - 396 445

#### Mazagaon, Mumbai:

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

## Shareholders' Information

### 103<sup>rd</sup> Annual General Meeting on

Wednesday, the 2<sup>nd</sup> August, 2017 at 10.00 a.m.

at J. B. Auditorium, Ahmedabad Management Association,  
ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur,  
Ahmedabad - 380 015

### Registrar & Share Transfer Agents

#### Karvy Computershare Pvt. Ltd.

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

### Investor Relations Centre

#### Karvy Computershare Pvt. Ltd.

##### 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

##### Mumbai Office

24B, Rajabhadur Mansion, Ground floor,  
Ambala 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 Fees for the Exchange have been paid by the Company for the year 2017-18.
- 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.mafatlals.com](http://www.mafatlals.com) under "Financial & Disclosure" Section, which is available for download by shareholders.
- Book closure for Dividend & 103<sup>rd</sup> Annual General Meeting (AGM) is Thursday, 27<sup>th</sup> day, July, 2017 to Wednesday, 2<sup>nd</sup> day, August, 2017 (Both days inclusive). Dividend if declared will be paid from 8<sup>th</sup> August, 2017.
- Notice of E-voting is issued to all shareholders alongwith this annual report Please note the following:  
Commencement of remote e-voting : 9.00 a.m. on 30<sup>th</sup> July 2017  
End of remote e-voting : 5.00 p.m. on 1<sup>st</sup> August 2017  
Declaration of Results of Voting : within 24 Hours of 103<sup>rd</sup> AGM

## NOTICE

NOTICE IS HEREBY GIVEN THAT the **103<sup>rd</sup>** Annual General Meeting of the Members of **Mafatlal Industries Limited** will be held **on Wednesday, the 2<sup>nd</sup> day of August, 2017 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 31<sup>st</sup> March, 2017 including Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2017 and the Balance Sheet as at that date, the Directors' Report and the Auditor's Report thereon.
- (2) To declare Dividend for the year 2016-17 on Equity Shares of the Company.
- (3) To appoint a Director in place of Shri A. K. Srivastava (DIN 00046776) who retires by rotation and being eligible, offers himself for re-appointment.
- (4) To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No.012754N/N500016), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the 108<sup>th</sup> Annual General Meeting {AGM} (subject to ratification of the appointment by the Members at every AGM held after this AGM) on such remuneration as may be fixed by the Board, apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit."

### SPECIAL BUSINESS

- (5) To consider and if thought fit, to pass with or without modification(s), the following Resolution, as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Shri Priyavrata H. Mafatlal (DIN 02433237), who was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from 1<sup>st</sup> November, 2016, in terms of Section 161(1) of the Companies Act, 2013 and Article 141 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting, (in respect of whom the Company has, received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director) be and is hereby appointed as a Director of the Company liable to retire by rotation."
- (6) To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION**:

"**RESOLVED THAT** pursuant to Section 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modifications or re-enactments thereof, for the time being in force), approval of the Company be and is hereby accorded to the appointment of Shri Priyavrata H. Mafatlal (DIN 02433237) as Executive Director (whole time director) of the Company, for a period of 5 (Five) years with effect from 1<sup>st</sup> November, 2016 on the terms and conditions and remuneration as set out in the Letter of Appointment dated 25<sup>th</sup> October, 2016 issued to him and laid before the Meeting, with the liberty and powers to the Board of Directors to increase, alter and vary the salary, commission and perquisites and other terms in such manner as the Board in its absolute discretion deems fit and is acceptable to him and with approval of the Central Government, where such remuneration exceeds the statutory limits prescribed under Section 197 of the Companies Act, 2013 or maximum permissible limits under Schedule V to the Companies Act, 2013."

"RESOLVED FURTHER THAT in the event of absence or in adequacy of profits of the Company in any financial year, he be paid the said remuneration as minimum remuneration subject to the terms and upto the maximum limits prescribed in Schedule V to the Companies Act, 2013 or with the approval of the Central Government, if required."

- (7) To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION**:

"**RESOLVED THAT** pursuant to Section 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modifications or re-enactments thereof, for the time being in force), approval of the Company be and is hereby accorded to the appointment of Shri Hrishikesh A. Mafatlal (DIN 00009872) as Executive Chairman of the Company, for a period of 5 (Five) years with effect from 1<sup>st</sup> November, 2016 on the terms and conditions and remuneration as set out in the Letter of Appointment dated 25<sup>th</sup> October, 2016 issued to him and laid before the Meeting, with the liberty and powers to the Board of Directors to increase, alter and vary the salary, commission and perquisites and other terms in such manner as the Board in its absolute discretion deems fit and is acceptable to him and with approval of the Central Government where such remuneration exceeds the statutory limits prescribed under Section 197 of the Companies Act, 2013 or maximum permissible limits under Schedule V to the Companies Act, 2013."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits of the Company in any financial year, he be paid the said remuneration as minimum remuneration subject to the terms and upto the maximum limits prescribed in Schedule V to the Companies Act, 2013 or with the approval of the Central Government, if required."

- (8) To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013 including any statutory



modification/s or re-enactment/s thereof, for the time being in force, and subject to the requisite approval if any, approval of the members of the Company be and is hereby accorded to the managerial remuneration aggregating to ₹228.83 lakhs for the Financial Year 2016-17 paid to Shri Aniruddha P. Deshmukh (DIN: 01389267), as Managing Director & Chief Executive Officer (MD & CEO) of the Company, notwithstanding it being in excess of the limits prescribed under the said provisions of Section 197 of the Companies Act, 2013 and the recovery of such excess is hereby waived."

9. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013 including any statutory modification/s or re-enactment/s thereof, for the time being in force, and subject to the requisite approval, if any, approval of the members of the Company be and is hereby accorded to the managerial remuneration aggregating to ₹27.56 lakhs for the Financial Year 2016-17, paid to Shri Priyavrata H. Mafatlal (DIN 02433237) as Executive Director (whole time director) of the Company with effect from 1<sup>st</sup> November, 2016, notwithstanding it being in excess of the limits prescribed under the said provisions of Section 197 of the Companies Act, 2013 and the recovery of such excess is hereby waived."

10. To consider and, if thought fit, to pass with or without modifications, the following Resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013 including any statutory modification/s or re-enactment/s thereof, for the time being in force, and subject to the requisite approval if any, approval of the members of the Company be and is hereby accorded to the managerial remuneration aggregating to ₹149.86 lakhs for the Financial Year 2016-17, paid to Shri Vishad P. Mafatlal (DIN: 00011350), as Executive Vice-Chairman of the Company (upto 19<sup>th</sup> August, 2016), notwithstanding it being in excess of the limits prescribed under the said provisions of Section 197 of the Companies Act, 2013 and the recovery of such excess is hereby waived."

11. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT in accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of The Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, the payment of Remuneration of ₹6,25,000/- (Rupees Six Lakhs Twenty Five Thousand only) (plus taxes and re-imbursement of out-of-pocket expenses incurred by them for the purpose of Audit) to Shri B. C. Desai, Cost Auditor, (Membership Number M-1077), for conducting the audit of Cost Accounting Records relating to the products 'Textiles' manufactured and traded by the Company for the year 1st April 2017 to 31st March 2018 be and is hereby approved and ratified."

12. To consider and, if thought fit, to pass with or without modifications, the following Resolution, as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 62(1) (b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules & Regulations made thereunder and in accordance with the Memorandum and Articles of Association of the Company, and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and other applicable provisions including, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and further subject to such other approvals, permissions and sanctions as may be necessary and upon such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the introduction and implementation of Mafatlal Employee Stock Option Scheme 2017 (hereinafter referred to as the "ESOS 2017") authorising the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to create, and grant from time to time, in one or more tranches, not exceeding 6,95,000 (six lakhs ninety five thousand) Employee Stock Options to or for the benefit of such eligible person(s) who are in permanent employment of the Company, including any Director, whether whole time or otherwise, as may be decided under ESOS 2017, exercisable into not more than 6,95,000 (six lakhs ninety five thousand) equity shares of face value of ₹10 (Rupees Ten) each fully paid-up, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the proposed ESOS 2017."

"RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank *paripassu* with the then existing equity shares of the Company in all respects."

"RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, amalgamation, merger, takeover and sale/disposal of division or undertaking and others, if any additional equity shares are to be issued by the Company to the Option grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the ceiling on the number of Options mentioned in the resolution above, shall be deemed to be increased to the extent of such additional equity shares issued."

"RESOLVED FURTHER THAT in case the equity shares of the Company are split or consolidated (sub-division or consolidation of face value of equity shares), then the number of equity shares to be allotted and the exercise price payable by the option grantees under the ESOS 2017 shall automatically stand augmented or reduced in the same proportion as the present face value of ₹10 (Rupees Ten) per equity share bears to the revised face value of the equity shares of the Company after such split or consolidation, without affecting any other rights or obligations of the said grantees."



**"RESOLVED FURTHER THAT** the Board including designated committee of the Board, if any be and is hereby authorised to take requisite steps for listing of the Equity Shares allotted under ESOS 2017 on the Bombay Stock Exchange (BSE Limited) where the Equity Shares of the Company are listed and traded as well as on other stock exchange/s where the Company proposes to get it's shares listed in due course of time."

**"RESOLVED FURTHER THAT** the Company shall conform to the applicable accounting standards/policies/guidelines prescribed, from time to time, under the SEBI Rules & Regulations (including amendments thereto) and other applicable laws and regulations to the extent relevant and applicable to the ESOS 2017."

**"RESOLVED FURTHER THAT** the Board including designated committee of the Board, if any, be and is hereby authorized in its absolute discretion at any time to frame & finalise, modify, change, vary, alter, amend, suspend or terminate the ESOS 2017 subject to the compliance with the applicable laws, Rules and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts (including the extension or reduction of vesting and /or exercise timeline of the options already granted or proposed to be granted) that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOS 2017 and do all other things incidental and ancillary thereof."

**"RESOLVED FURTHER THAT** the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and such other Advisors, Consultants, professionals or Representatives, being incidental to the effective implementation and administration of ESOS 2017 as also to make applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard."

By Order of the Board  
For Mafatlal Industries Limited

Place: Mumbai  
Dated: 5<sup>th</sup> May, 2017

**Ashish A. Karanji**  
Company Secretary

#### Regd. Office:

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

#### NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL AND THAT A PROXY NEED NOT BE A MEMBER.**

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

2. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item Nos. 4 to 12 mentioned in the above Notice, is annexed hereto marked as **Annexure I** to this notice.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from **Thursday, 27<sup>th</sup> July, 2017 to Wednesday, 2<sup>nd</sup> August, 2017 (both days inclusive)** for the purpose of payment of dividend, if any and AGM.
4. The dividend, as declared by the Members at the Annual General Meeting, will be paid on **8<sup>th</sup> August, 2017**. In order to enable the Company, directly credit the dividend amount in the bank accounts:
  - a) Shareholders holding shares in demat accounts are requested to update their Bank Account details with their respective Depository Participants.
  - b) Shareholders holding shares in physical form are requested to provide the following details along with an authorization letter allowing the Company to directly credit the dividend in their bank accounts:

Name of first account holder (as appearing in the bank account records), Bank name, branch name, branch address, type of account and account number, IFSC code and MICR code and copy of cancelled cheque.

5. **Members are requested to note that pursuant to the provisions of Section 124 of the Companies Act, 2013 the dividend remaining unclaimed / unpaid for a period of seven years from the date it becomes due for payment shall be credited to the Investor Education and Protection Fund (IEPF) set up by the Central Government. The details of the Members, who have not encashed their dividend warrants for earlier years, are available under the 'Financials' section on the Website of the Company viz. www.mafatlals.com. Members who have not encashed their dividend warrants are advised to write to the Company immediately claiming their dividends declared by the Company.**
6. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Company and has issued circulars allowing service of

notices/documents including Annual Report by e-mail to its members. To support this green initiative of the government in full measure, members who have not registered their e-mail addresses so far, are requested to register the same in respect of electronic holdings with the depository through their depository participants. Members who are holding shares in physical form are requested to get their e-mail addresses registered with the Registrar and Share Transfer Agent.

7. In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, e-voting facility is being provided to the Members. Details of the e-Voting process and the relevant details are being sent to all the Members along with Notice.
8. Pursuant to the Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the requisite information with respect to the Director seeking appointment /re-appointment is annexed hereto and marked as **Annexure II** to this notice.
9. The information as required under para (iv) of Section II of Part II of Schedule V to the Companies Act, 2013 is annexed hereto and marked as **Annexure III** to this notice.

#### ANNEXURE I TO NOTICE

Explanatory Statement as required by Section 102 of the Companies Act, 2013.

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts in respect of Items of Special Business mentioned at Sr. No.4 to 12 of the Notice dated 5th May, 2017.

#### In respect of Item No. 4:

The Board of Directors of the Company based on the recommendations by the Audit Committee at their meeting held on 24<sup>th</sup> March, 2017 has considered and approved the appointment of M/s. Price Waterhouse Chartered Accountants LLP as new Statutory Auditor in place of M/s. Deloitte Haskins & Sells, (whose terms as Auditors is expiring at the conclusion of the ensuing Annual General Meeting of the shareholders of the Company) subject to the approval of the shareholders. The appointment shall be effective from the date of the approval of the shareholders at the ensuing Annual General Meeting.

Shareholders may also note that M/s. Price Waterhouse was constituted on April 1, 1991. On July 25, 2014, Price Waterhouse was converted to Price Waterhouse Chartered Accountants LLP (the 'Firm') which is incorporated under the Limited Liability Partnership Act, 2008. The Firm is registered with the Institute of Chartered Accountants of India (Registration No. 012754N/N500016). The Firm has 68 Partners as on February 1, 2017.

The Board recommends passing of the above resolution.

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

#### In respect of Item No. 5 & 6

The Board of Directors of the Company at their Meeting held on 25<sup>th</sup> October, 2016, based on the recommendation of the Nomination & Remuneration Committee (NRC), appointed Shri Priyavrata H. Mafatlal

(holding DIN 02433237), as additional director of the Company (who was also appointed as an Executive Director of the Company with effect from 1<sup>st</sup> November, 2016, in terms of the provisions of Section 161(1) of the Companies Act, 2013 and Article 141 of the Articles of Association of the Company.

In terms of Section 161 and other applicable provisions of the Companies Act, 2013, he holds office as an additional director upto the date of ensuing Annual General Meeting. As required under Section 160 of the Companies Act, 2013, a notice has been received from a member of the Company along with requisite deposit signifying his intention to propose Shri Priyavrata H. Mafatlal as a candidate for the office of the Director of the Company liable to retire by rotation.

Shri Priyavrata H. Mafatlal, aged 29 years, has done his Master of Commerce from Mumbai University in 2010 after completing Bachelor in Management Studies (with specialization in Marketing) in 2008. He has attended 3 Tier Management Programme at IIM, Ahmedabad and has also done Fashion Business Course from Istituto Marangoni, London (UK). He has worked as Management Trainee in NOCIL Ltd., Navin Fluorine International Limited as also Mafatlal Denim Limited (now merged with the Company) during 2008 -2010 and has gained varied experience and exposure in working with different businesses and divisions. Post successful completion of corporate trainings and mentoring, the Board of Directors of the Company had at their meeting held on 22<sup>nd</sup> December, 2010 appointed him as General Manager (Marketing) w.e.f. 1<sup>st</sup> January, 2011. The said appointment was also approved by the shareholders of the Company by way of Special Resolution passed at 97<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> September, 2011. Since then he has been actively involved in various activities of the Company connected with Sales & Marketing, Design & Development, Apparel, Retail etc. He was instrumental in recently developed Video and Audio campaign targeted for revamping Mafatlal Brand which elicited good response from all stakeholders. He has also partnered Music Venture in Music Production Company called Pam Bam Beats LLP. He has also varied interest in Sports and Music. He represented Schools at all levels in football, cricket and badminton.

He is holding 5,58,722 Equity Shares of ₹10/- each of the Company (4.02% of the paid up capital). He is Non-Executive Director in Shamir Texchem Pvt. Limited He is son of Shri H. A. Mafatlal, Chairman of the Company.

Considering his credentials and Nomination & Remuneration Policy of the Company, as recommended by the Nomination & Remuneration Committee, the Board of Directors of the Company at their meeting held on 25<sup>th</sup> October, 2016 appointed him as Executive Director (Whole Time Director) for a period of five years w.e.f. 1<sup>st</sup> November, 2016 subject to the approval of the shareholders and other requisite approvals if any, on the following terms of Remuneration:

- I (a) Basic Salary: ₹26,00,000/- per annum
- (b) Allowances, the aggregate monetary value of which shall not exceed ₹18,80,000/- per annum. These perquisites and allowances would be in addition to the items mentioned in clause "c", "d" and "e" below:

(c) Perquisites:

- i. Fully furnished house or house rent not exceeding ₹7,80,000/- per annum in lieu thereof;
- ii. Medi Claim Policy, Personal Accident Insurance, Leave Travel Concession and Club Fees as per the rules of the Company.

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

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

(e) Apart from remuneration, Shri Priyavrata H. Mafatlal will be entitled to:

- i. Free use of company's car for the business of the Company with reimbursement of driver's salary.
- ii. Free telephone facility at residence and use of mobile phone facility
- iii. Reimbursement of expenses actually and properly incurred by him for the business of the Company.

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

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

- i. Contribution to Provident Fund, or Superannuation Fund or Annuity Fund to the extent these, either singly or together are not taxable under the Income Tax Act, 1961
- ii. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service and
- iii. Encashment of Leave at the end of the tenure.

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

He shall not be entitled to receive sitting fees for attending the meetings of the Board of Directors or any Committees thereof.

Subject to the provisions of Section 152 of the Companies Act, 2013, he shall be liable to retire by rotation.

The information as required under para (iv) of Section II of Part II of Schedule V to the Companies Act, 2013 is Annexed herewith and forming part of this notice.

The Board recommends passing of the above resolutions.

None of the Directors, Key Managerial Personnel and/or their relatives except Shri H. A. Mafatlal and Shri Priyavrata H. Mafatlal, are concerned or interested in the said Resolution. A copy of the said Letter of Appointment dated 25<sup>th</sup> October, 2016, issued to Shri P. H. Mafatlal, is open for inspection by Members at the Registered Office of the Company during working hours on all working days (Monday-Friday) except holidays up to the date of this ensuing Annual General Meeting.

**In respect of Item No. 7 :**

Shri Hrishikesh A. Mafatlal (DIN 00009872), 63 years of age, is currently Executive Chairman of the Board of Directors of the Company. He has been on the Board of Directors of the Company since 1979. He did his graduation in Commerce with Honors, from Sydenham College and also Completed Advance Management Programme (AMP) at Harvard Business School, USA. He is an Industrialist having diversified experience of more than 41 years in the areas of Textiles, Chemicals, Petrochemicals, and Financial Services etc. Recently, he was appointed as Executive Chairman of NOCIL Limited. The shareholding of Shri H. A. Mafatlal in the Company, his other directorships/committee membership etc. are mentioned in the annexure to this notice.

Considering his credentials and Nomination & Remuneration Policy of the Company, and as recommended by the Nomination & Remuneration Committee, the Board of Directors of the Company at their meeting held on 25<sup>th</sup> October, 2016 appointed Shri H. A. Mafatlal as "Executive Chairman" of the Company having substantial powers of management of the affairs of the Company, for a period of five years w.e.f. 1<sup>st</sup> November, 2016 subject to the approval of the shareholders of the Company and other requisite approvals on the following terms of remuneration:

- I (a) Basic Salary: ₹108,00,000/- per annum
- (b) Allowances, the aggregate monetary value of which shall not exceed ₹48,00,000/- per annum. These perquisites and allowances would be in addition to the items mentioned in clause "c" and "d" below:
- (c) Perquisites:
  - i. Fully furnished house or house rent not exceeding ₹54,00,000/- per annum in lieu thereof;
  - ii. Medi Claim Policy, Personal Accident Insurance, Leave Travel Concession and Club Fees as per the rules of the Company.

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

- (d) Apart from remuneration, Shri Hrishikesh A. Mafatlal will also be entitled to:
- Free use of company's car for the business of the Company with reimbursement of driver's salary.
  - Free telephone facility at residence and use of mobile phone facility
  - Reimbursement of expenses actually and properly incurred by him for the business of the Company.
- II. Commission up to the maximum limits permitted under the provisions of Section 197 of the Companies Act, 2013
- III. In case of absence or inadequacy of profits in any financial year of the Company, Shri Hrishikesh A. Mafatlal will be entitled to salary, perquisites, and other allowances as the minimum remuneration subject to the maximum limits and conditions prescribed in Schedule V to the Companies Act, 2013, with liberty and authority to the Board of Directors of the Company to amend, alter or vary in any manner, the terms and conditions of his said appointment or applicable agreement from time to time as may be permitted under the provisions of the Companies Act, 2013 or any amendment thereto or any re-enactment thereof and as may be agreed between the Board of Directors and Shri Hrishikesh A. Mafatlal.

He shall not be entitled to receive sitting fees for attending the meetings of the Board of Directors or any Committees thereof.

Shri H. A. Mafatlal has also been appointed as Executive Chairman of NOCIL Limited. Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with the provisions of Schedule V, a Managerial Person shall draw remuneration from one or both companies, provided that the total remuneration drawn from the companies does not exceed the higher maximum limit admissible from any one of the companies of which he is a Managerial Person. Accordingly, the overall remuneration of Shri H. A. Mafatlal drawn from both the companies will not exceed the higher maximum limit admissible from any one of the companies.

However, it may be noted that Shri H. A. Mafatlal indicated that he would not draw any remuneration from the Company for the year 2016-17. Accordingly, no remuneration was paid to him as an Executive Chairman of the Company. He was paid sitting fees as a Non-Executive Director until 31<sup>st</sup> October, 2016.

The information as required under para (iv) of Section II of Part II of Schedule V to the Companies Act, 2013 is Annexed herewith forming a part of this notice.

The Board recommends passing of the above resolution.

None of the Directors, Key Managerial Personnel and/or their relatives except Shri H. A. Mafatlal and Shri Priyavrata H. Mafatlal, are concerned or interested in the Resolution.

A copy of the said Letter of Appointment dated 25<sup>th</sup> October, 2016, issued to Shri H. A. Mafatlal, is open for inspection by Members at the Registered Office of the Company during working hours on all working days (Monday-Friday) except holidays up to the date of this ensuing Annual General Meeting.

#### **In respect of Item No. 8, 9 & 10:**

The financial year 2016-17 was indeed very challenging for your Company. The overall performance of the Company during FY 2016-17 was adversely impacted by several macro level factors. Total Revenue fell by 5% to ₹1,28,068.39 Lakhs, EBITDA went down by 38% to ₹3,764.09 Lakhs leading to a Net Loss for the year of ₹214.53 Lakhs as against a Net Profit of ₹1,712.38 Lakhs for the previous year.

At the macro level the factors like a steep increase in Cotton prices, impact of demonetisation on retail demand and a slump in the Denim industry impacted the performance of the Company. Further for FY 2016-17, the Company had higher Finance Cost & Depreciation charge since the Company has implemented the capacity expansion projects leading to higher term borrowings and increase in fixed assets. The full benefits of these projects shall accrue in subsequent years. Further operating margins were squeezed because of higher Cotton prices on one side, intense competition, weaker demand and curtailed selling prices on the other side.

After an arduous year, the Company expects to turn around on the back of initiatives taken for improvements in plant efficiency, new product developments and a widening of the marketing and distribution network. Towards this, during the year the Company invested net of ₹10,196.21 Lakhs in Fixed Assets to balance and upgrade the existing manufacturing equipment's and facilities.

During the year 2016-17, the Company has made net loss of ₹214.53 Lakhs. However, for the purpose of calculating the Managerial Remuneration, the net loss calculated as per the provisions of Section 198 of the Companies Act, 2013 is ₹1677.06 Lakhs. Therefore, the entire managerial remuneration aggregating to ₹406.26 Lakhs is exceeding the limits of Section 197 of the Companies Act, 2013 for the year 2016 17 (₹228.84 lakhs for Shri Aniruddha P. Deshmukh, Managing Director & Chief Executive Officer ₹27.56 lakhs to Shri Priyavrata H. Mafatlal, Executive Director (whole time director) (w.e.f. 1<sup>st</sup> November, 2016) and ₹149.86 lakhs to Shri Vishad P. Mafatlal, Executive Vice Chairman (upto 19<sup>th</sup> August, 2016). It may also be noted that the remuneration of Shri Vishad P Mafatlal also includes the encashment of leave ₹41.83 lakhs and gratuity payment ₹59.50 lakhs at the end of cessation of the employment with the Company.

It may be noted that though the aggregate managerial remuneration paid is in excess of the limits mentioned under the provisions of Section 197 of the Companies Act, 2013, but it does not exceed the limits mentioned under Schedule V to the Companies Act, 2013 (as amended by notification dated 12<sup>th</sup> September, 2016). Accordingly, as per the provisions of the Companies Act, 2013, no approval of central government is required.



It may be noted that Shri Aniruddha P. Deshmukh, Shri Priyavrata H. Mafatlal and Shri Vishad P. Mafatlal have not been paid any commission/bonus based on the profitability of the Company for the year 2016 -17

In accordance with the provisions of Schedule V and other applicable provisions of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board and the Board of Directors at their respective meetings held on 3<sup>rd</sup> May, 2017 and 5<sup>th</sup> May, 2017, have approved the overall managerial remuneration paid to Shri Aniruddha P. Deshmukh Shri Priyavrata H. Mafatlal and Shri Vishad P. Mafatlal, Managerial Personnel during the year 2016 - 17 as set forth in the resolutions. Having regard to the qualifications, experience, expertise and the contributions made by these Managerial Personnel, the Board recommends the approval by the members of the Company by way of special resolutions of the said managerial remuneration paid and the waiver of excess remuneration paid as mentioned in item 8, 9 & 10.

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

None of the other Directors or Key Managerial Personnel and/or their relatives is concerned or interested in the Resolution No. 8, 9 & 10 except Shri Aniruddha P. Deshmukh for Resolution No. 8, Shri Priyavrata H. Mafatlal for Resolution No. 9 and Shri Vishad P. Mafatlal (he has ceased to be director of the Company) for resolution 10 and Shri H. A. Mafatlal, being relative of Shri Priyavrata H. Mafatlal and Shri Vishad P. Mafatlal, for Resolution No. 9 & 10.

#### **In respect of Item No. 11:**

In accordance with the provisions of Section 148(2) and 148(3) read with The Companies (Cost Records and Audit) Rules, 2014, the Company is required to appoint a Cost Auditor for audit of Textiles Products manufactured by the Company.

Based on recommendation of the Audit Committee, the Board of Directors has appointed Shri B. C. Desai as the Cost Auditor for conducting the audit of Cost Accounting Records maintained by the Textiles Unit of the Company at Nadiad, Denim Unit of the Company at Navsari and the Marketing Services Division of the Company at Mumbai relating to the 'Textiles' product manufactured and traded by the Company for the year 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018 on a proposed remuneration of ₹6,25,000/- plus taxes and reimbursement of out of pocket expenses incurred for the purpose of audit.

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

#### **In respect of item no. 12 :**

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of

personal goals of the employees with organizational objectives. Your Company believes in rewarding its employees including Directors of the Company along with employees of the subsidiaries for their continuous hard work, dedication and support, which would lead the Company on the growth path. The Company intends to implement Employee Stock Option Scheme 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.

With this objective in mind, your Company intends to implement Mafatlal Employee Stock Option Scheme 2017 ("ESOS 2017") for the permanent employees including Directors of the Company.

The Company seeks members' approval in respect of ESOS 2017 for granting of Stock Options to the eligible employees of the Company as decided in this behalf from time to time with due compliance of the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), SEBI (LODR) Regulations, 2015, and Rules & Regulations made thereunder.

The Board of Directors of the Company has, based on the recommendation of the Nomination & Remuneration Committee, at their meeting held on 5<sup>th</sup> May, 2017 approved ESOS 2017, the salient features of the same are as under:

#### **a) Brief description of the scheme:**

The Company proposes to introduce the ESOS 2017 primarily with a view to attract, retain, incentivise and motivate the existing employees of the Company, new employees joining the Company and its Directors that would lead to higher corporate growth. The ESOS 2017 contemplates grant of options to the eligible employees (including Directors), as may be determined in due compliance of applicable laws, rules and regulations including the proposed ESOS 2017. After vesting of options, the eligible employees earn a right (but not obligation) to exercise the vested options within the exercised period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Nomination and Remuneration Committee ("Committee") of the Company shall administer ESOS 2017. All questions of interpretation of the ESOS 2017 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in ESOS 2017.

#### **b) Total number of Options to be granted:**

A total number of options 6,95,000 (six lakhs ninety five thousand) exercisable into 6,95,000 (six lakhs ninety five thousand) Equity Shares would be available for being granted to eligible employees of the Company under ESOS

2017. Each option when exercised would be converted into one Equity share of ₹10/- each fully paid-up.

Options lapsed or cancelled due to any reason including the reason of lapse of exercise period or due to resignation of the employees/ Directors or otherwise, would be available for being re-granted at a future date. The Committee is authorized to re-grant such lapsed / cancelled options as per the ESOS 2017.

Further, the SEBI Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. In this regard, the Committee shall adjust the number and price of the options granted in such a manner that the total value of the options granted under ESOS 2017 remain the same after any such corporate action. Accordingly, if any additional options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of 6,95,000 (six lakhs ninety five thousand) options shall be deemed to be increased to the extent of such additional options issued.

**c) Identification of classes of employees entitled to participate in ESOS 2017**

All permanent employees of the Company, including the Directors (whether Executive or Non-Executive) but excluding –

- a. Independent Directors,
- b. promoters or persons belonging to promoter group,
- c. director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company.

**d) Requirements of vesting and period of vesting**

All the options granted on any date shall vest not earlier than 1 (one) year and not later than a maximum of 4 (four) years from the date of grant of options as may be determined by the Committee.

Options shall vest essentially based on continuation of employment and apart from that the vesting will be subject to Individual performance parameters as the Committee may specify additionally.

**e) Maximum period within which the options shall be vested:**

All the options granted on any date shall vest not later than a maximum of 4 (four) years from the date of grant of options as may be determined by the Committee.

**f) Exercise price or pricing formula:**

The exercise price shall be fair market value of share as on date of grant of options (being not less than last closing price at the stock exchange on the previous working day prior to the grant).

**g) Exercise period and the process of Exercise:**

The Exercise period would commence from the date of vesting and will expire not later than a maximum of 4 (four) years from the date of respective vesting or such other shorter period as may be decided by the Committee from time to time.

The vested Option shall be exercisable by the employees by a written application to the Company expressing their desire to exercise such Options in such manner and on such format as may be prescribed by the Committee from time to time. The Options shall lapse if not exercised within the specified exercise period.

**h) Appraisal process for determining the eligibility of employees under ESOS 2017:**

The appraisal process for determining the eligibility shall be decided from time to time by the Board/Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, etc. as may be decided by the Board/ Committee in its absolute discretion.

**i) Maximum number of Options to be issued per employee and in aggregate:**

The number of options that may be granted to any specific employee of the Company under the ESOS 2017, in any financial year and in aggregate under the ESOS 2017 shall not exceed one percent of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant of options.

**j) Maximum quantum of benefits to be provided per employee under the ESOS 2017:**

The maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the market price of the shares as on the date of exercise of options. However in no case exceeding the then existing 1% of the issued share capital of the Company.

**k) Route of ESOS 2017 implementation:**

The ESOS 2017 shall be implemented and administered directly by the Company. In case Company wishes otherwise, it may be intimated to the members in due course as per applicable laws.

**l) Source of acquisition of shares under the ESOS 2017:**

The ESOS 2017 contemplates fresh/new issue of shares by the Company.

**m) Amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc:**

This is currently not contemplated under the present ESOS 2017.

**n) Maximum percentage of secondary acquisition:**

This is not relevant under the present ESOS 2017.

**o) Accounting and Disclosure Policies:**

The Company shall follow the IND AS/Guidance Note on Accounting for Employee Share-based Payments and/or any relevant Accounting Standards as may be prescribed by the competent authorities from time to time, including the disclosure requirements prescribed therein.

**p) Method of option valuation:**

The Company shall adopt 'Fair value method' for valuation Options as prescribed under applicable Guidance Note or under any relevant accounting standard notified by appropriate authorities from time to time.

**q) Declaration:**

In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed

and the employee compensation cost that shall have been recognized if it had used the fair value of the options and the impact of this difference on profits and on Earning Per Share ("EPS") of the company shall also be disclosed in the Directors' report.

The equity shares of the Company, so issued under ESOS 2017 shall be listed at the stock exchange/s where the existing shares are listed and traded in conformity with the applicable provisions of law for the time being in force and the SEBI Rules, Regulations and Guidelines.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent of the entitlements, if any, granted in due course under the ESOS 2017.

The Board recommends passing of the Resolution.

By Order of the Board  
For Mafatlal Industries Limited

Place: Mumbai  
Dated 5<sup>th</sup> May, 2017

**Ashish A. Karanji**  
Company Secretary

**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](mailto:ahmedabad@mafatlals.com)  
Website: [www.mafatlals.com](http://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:**

<b>Name of the Director &amp; Brief Resume</b>	<b>Nature of Expertise in specific functional area</b>	<b>Disclosure of relationship between directors inter-se</b>	<b>Names of the Listed Entities in which the person holds the directorship and membership of the committees of the board.</b>	<b>Shareholding of Director in the Company</b>
<p>Shri Atul K Srivastava (63 years) (DIN 00046776)</p> <p>He is Graduate in Science and Chartered Accountant.</p> <p>He is Non-Executive Non-Independent Director of the Company.</p>	<p>Having experience of more than 44 years at various companies in financial, legal and commercial matters.</p>	<p>Not related to any Director or Promoter at any time.</p>	<p><b>Director of :</b></p> <p>Navin Fluorine International Limited</p> <p>Member of Stakeholders Relationship Committee</p> <p><b>Membership of the Committees of the Board of:</b></p> <p>Mafatlal Industries Limited:</p> <ul style="list-style-type: none"> <li>- Chairman of Stakeholders Relationship Committee</li> <li>- Member of Share Transfer Committee</li> <li>- Member of CSR Committee</li> </ul>	<p>He is not holding any Equity Shares in the Company.</p>
<p>Shri Priyavrata H. Mafatlal (29 years) (DIN 02433237)</p> <p>He is appointed as Executive Director of the Company for a period of five years w.e.f. 1<sup>st</sup> November, 2016 subject to the approval of the shareholders.</p>	<p>He is an Industrialist having diversified experience of more than 9 years in the areas of Textiles and other Businesses.</p>	<p>He is related to (son of) Shri Hrishikesh A. Mafatlal, Executive Chairman of the Company.</p>	<p>He is a non- executive director in Shamir Texchem Pvt. Ltd.</p> <p>He does not hold any Committee membership.</p>	<p>He holds 558722 equity shares of the Company of ₹10/- each</p>
<p>Shri Hrishikesh A. Mafatlal (63 years) (DIN 00009872)</p> <p>He has been on the Board of Directors of the Company since 1979.</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 is Executive Chairman of the Company.</p>	<p>He is an Industrialist having diversified experience of more than 41 years in the areas of Textiles, Chemicals, Petrochemicals, Financial Services etc.</p>	<p>He is related (father of) to Shri Priyavrata H. Mafatlal, Executive Director of the Company.</p>	<p><b>Executive Chairman of :</b></p> <p>Mafatlal Industries Ltd</p> <p>NOCIL Limited</p> <p><b>Membership of the Committees of the Board of:</b></p> <p>Mafatlal Industries Limited:</p> <ul style="list-style-type: none"> <li>- Chairman of Corporate Social Responsibility Committee</li> <li>- Member of Stakeholders Relationship Committee</li> <li>-Member of Share Transfer Committee</li> </ul> <p>NOCIL Limited:</p> <ul style="list-style-type: none"> <li>-Chairman of Corporate Social Responsibility Committee</li> <li>-Chairman of Share Transfer Committee</li> <li>-Member of Stakeholders Relationship Committee</li> <li>-Member of Nomination and Remuneration Committee</li> </ul>	<p>He holds 3176150 equity shares of the Company of ₹10/- each</p>

## Annexure III to the Notice

The information as required under para (iv) of Section II of Part II of Schedule V to the Companies Act, 2013 in respect of appointments of Shri Priyavrata H. Mafatlal, as Executive Director (Whole Time Director) and Shri Hrishikesh A. Mafatlal, as Executive Chairman of the Company for a period of five years w.e.f. 1<sup>st</sup> November, 2016:

### I. General Information :

#### (1) Nature of Industry:

The Company is engaged in the Manufacture and Sale of Textiles.

#### (2) Date or expected date of commencement of commercial production:

Not applicable

#### (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable

#### (4) Financial performance based on given indicators:

(₹ in Lakhs)

	Current Year (2016-17)	Previous Year (2015-16)
Total Turnover (Net) & other operational income	127022.28	132308.74
Profits before tax	-691.70	1883.88
Net Profit after tax	-214.53	1712.38

#### (5) Foreign investment or collaboration:

M/s. Al Fahim Linez LLC, Dubai (UAE), is a Joint Venture wherein the Company's shareholding is 49%. The same is under voluntary winding-up/closure.

### II. Information about the appointee:

#### (1) Background details:

Shri Priyavrata H. Mafatlal, (DIN 02433237) aged 29 years, has done his Master of Commerce from Mumbai University in 2010 after completing Bachelor in Management Studies (with specialization in Marketing) in 2008. He has attended 3 Tier Management Programme at IIM, Ahmedabad and also done Fashion Business Course from Istituto Marangoni, London (UK). He has worked as Management Trainee in NOCIL Ltd., Navin Fluorine International Limited as also Mafatlal Denim Limited (now merged with the Company) during 2008-2010 and has gained varied experience and exposure in working with different businesses and divisions.

#### (2) Shri Hrishikesh A. Mafatlal (DIN 00009872), 63 years of age, is currently Executive Chairman of the Board of Directors of the Company. He has been on the Board of Directors of the Company since 1979. He did graduation in

Commerce with Honors, from Sydenham College and also Completed Advance Management Programme (AMP) at Harvard Business School, USA. He is an Industrialist having diversified experience of more than 41 years in the areas of Textiles, Chemicals, Petrochemicals, and Financial Services etc. Recently, he was appointed as Executive Chairman of NOCIL Limited.

#### (3) Past Remuneration:

Shri Priyavrata H. Mafatlal, has been working as a General Manager (Mktg.) as per the past approval of the shareholders of the Company and has been paid remuneration of ₹16.98 lakhs from 1<sup>st</sup> April, 2016 till 31<sup>st</sup> October, 2016. The Board has appointed him as Executive Director w. e. f. 1<sup>st</sup> November, 2016 subject to the approval of the shareholders of the Company.

Shri Hrishikesh A. Mafatlal has been Non-Executive Chairman (Promoter Director) of the Company until 30<sup>th</sup> October, 2016. He has been paid sitting fees of ₹1.75 lakhs for attending the meetings of the Board and Committees thereof. The Board of Directors of the Company has appointed him as Executive Chairman of the Company w.e.f. 1<sup>st</sup> November, 2016 subject to the approval of the shareholders of the Company. He has voluntarily not taken any remuneration as Executive Chairman for the period 1<sup>st</sup> November, 2016 till 31<sup>st</sup> March, 2017.

#### (4) Job Profile and suitability:

Shri Priyavrata H. Mafatlal has gained varied experience and exposure in working with different businesses and divisions of the Company as well other group companies for over 9 years. Looking to his overall exposure and experience and responsibilities shouldered by him, he is suitable for the position.

Shri Hrishikesh A. Mafatlal, is an Industrialist having diversified experience of more than 41 years in the areas of Textiles, Chemicals, Petrochemicals, and Financial Services etc Looking to his overall exposure and experience and responsibilities shouldered by him, he is suitable for the position.

#### (5) Remuneration proposed:

The remuneration proposed for Shri Priyavrata H. Mafatlal and Shri Hrishikesh A. Mafatlal is mentioned in Explanatory Statement in respect of item number 6 and 7 of the Notice convening 103rd Annual General Meeting.

#### (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Considering the size of the Company, the industry bench marks, experience of the appointees and the responsibilities to be shouldered by each of the appointee, the proposed remuneration commensurate with the remuneration paid to similar appointees in other companies.

**(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Except for the proposed remuneration, Shri Priyavrata H. Mafatlal and Shri Hrishikesh A. Mafatlal do not have any pecuniary relationship directly or indirectly with the Company or managerial personnel of the Company. They both are related to one another. (Shri Hrishikesh A. Mafatlal is father of Shri Priyavrata H. Mafatlal)

**III. Other Information:**

**(1) Reasons of loss or inadequate profits:**

At the macro level the factors like a steep increase in Cotton prices, impact of demonetisation on retail demand and a slump in the Denim industry impacted the performance of the Company. Further for FY 2016-17, the Company had higher Finance Cost & Depreciation charge since we have implemented the capacity expansion projects leading to higher term borrowings and increase in fixed assets. Further operating margins were squeezed because of higher Cotton prices on one side and intense competition and weaker demand Denim curtailed selling prices on the other side.

**(2) Steps taken or proposed to be taken for improvement:**

The focus of the Company for the year under review has also been to invest in upgrading its facilities at both the Textiles and Denim Divisions and to add balancing equipment which would result in either increasing throughputs and/or reducing the cost of production. To this end, the net addition to Fixed Assets had been ₹10,196.21 Lakhs. The full benefits of these projects shall accrue in subsequent years.

**(3) Expected increase in productivity and profits in measurable terms:**

Your Company's future growth will be driven by volume growth across all of its three strategic business units. In the immediate future your Company will focus on its core strengths investment in equipments which has been made is aimed at improving operating margins leading to increased throughput, improved product-mix and reducing manufacturing cost is expected to drive substantial growth in the bottom-line of the Company during the next year. Your Company is also building further on its current presence in B2C market as it offers substantial opportunity of growth in medium term. On the whole, our Company is optimistic for the outlook of growth in the short to medium term in terms of total revenues/turnover and operating margins considering overall expected positive trend in textiles industry.

## Summarised Financial Data

₹ in Lakhs

Particulars	2006-08	2008 - 09	2009 - 10
	(18 MONTHS)		(14 MONTHS)
	1	2	3
<b>PROFIT &amp; LOSS ACCOUNT</b>			
Total Income	41,273.38	54,998.06	30,913.02
Profit before Depreciation, Interest, Exceptional Items and Tax	6,689.72	35,183.24	7,164.51
Exceptional Items	-	-	-
Finance costs	(2,929.12)	(1,014.50)	(557.56)
Depreciation, Amortisation and Impairment	(807.08)	(402.02)	(332.51)
Profit before Tax	2,953.52	33,766.72	6,274.44
Profit after Tax	2,930.31	33,750.72	5,176.30
Dividend (₹ per share)			
Earning per share (EPS) ₹	58.61	675.01	71.16
<b>BALANCE SHEET</b>			
Net Fixed Assets	3,797.80	3,373.55	1,975.17
Investments	16,609.00	16,567.45	12,477.61
Current Assets (Net)*	(5,322.26)	(11,407.63)	(3,499.36)
Miscellaneous Exps not W/Off	1,279.69	0.75	-
Total Application	16,364.23	8,534.12	10,953.42
Borrowings	51,633.98	10,053.15	7,296.15
Net Worth:			
Share Capital	9,499.94	9,499.94	6,981.32
Reserves	(44,769.69)	(11,018.97)	(3,324.05)
	(35,269.75)	(1,519.03)	3,657.27
Total Sources	16,364.23	8,534.12	10,953.42
Book value per Equity Share (₹)	-	-	50.30
(Face value - ₹10 per Share)			
Debt/ Equity Ratio	-	-	1.99
Operating EBIDTA ( % )	16%	64%	23%
Profit After Tax ( % )	7%	61%	17%
Return on Net Worth ( % )	-8%	-183%	484%
Return on Capital Employed	44%	279%	70%

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

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

## Summarised Financial Data

₹ in Lakhs

2010 - 11	2011 - 12	2012 - 13	2013 - 14	2014 - 15	2015 - 16	2016 - 17
(13 MONTHS)	(9 MONTHS)					
4	5	6	7	8	9	10
70,525.95	18,069.79	84,038.13	93,549.12	104,469.00	134,465.93	128,068.39
36,024.71	(1,096.70)	8,999.05	4,610.45	5,018.17	6,119.18	5,503.97
16,086.77	(5,040.76)	697.74	736.77	898.63	-	(869.94)
(1,085.88)	(245.11)	(3,199.92)	(1,489.45)	(1,684.05)	(2,116.12)	(2,620.14)
(252.48)	(203.42)	(1,444.05)	(1,834.60)	(1,671.14)	(2,119.18)	(2,705.59)
50,773.12	(6,585.99)	5,052.82	2,023.17	2,561.61	1,883.88	(691.70)
38,056.00	(5,185.99)	3,715.93	2,393.38	2,437.49	1,712.38	(214.53)
		+ 5	3	3	3	3
387.78	(52.84)	26.71	17.20	17.52	12.31	(1.54)
1,613.34	2,003.60	15,648.04	17,273.65	20,091.35	22,256.58	29,717.02
5,477.25	5,009.80	4,871.58	4,865.37	4,788.97	4,794.09	6,221.29
41,657.38	27,067.95	24,293.87	23,154.29	25,157.03	33,129.64	25,996.16
-	-	-	-	-	-	-
48,747.97	34,081.35	44,813.49	45,293.31	50,037.35	60,180.31	61,934.47
7,034.70	554.07	8,997.04	10,571.81	13,492.29	20,812.05	24,393.92
6,981.32	3,981.32	4,391.22	1,391.22	1,391.22	1,391.22	1,391.22
34,731.95	29,545.96	31,425.23	33,330.28	35,153.84	36,363.86	36,149.33
41,713.27	33,527.28	35,816.45	34,721.50	36,545.06	37,755.08	37,540.55
48,747.97	34,081.35	44,813.49	45,293.31	50,037.35	58,567.13	61,934.47
425.04	341.63	257.43	249.56	262.67	271.37	269.83
0.17	0.02	0.25	0.30	0.37	0.55	0.65
51%	-6%	11%	5%	5%	5%	4%
54%	-29%	4%	3%	2%	1%	-0.2%
168%	-14%	10%	7%	7%	5%	-1%
174%	-15%	18%	8%	8%	7%	3%

## Directors' Report

To  
The Members,  
**Mafatlal Industries Limited**

Your Directors are pleased to present the 103rd Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2017.

### 1. Financial Results:

The Financial Results of the Company are as under:

	(₹ in Lakhs)	
	Current Year 2016-17	Previous Year 2015-16
Revenue from Operations	1,27,022.28	1,32,308.74
Other Income	1,046.11	2,157.19
Total Income / Revenues	1,28,068.39	1,34,465.93
<b>EBIDTA</b>	<b>3,764.09</b>	6,119.18
Less: Depreciation	2,705.59	2,119.18
Finance Costs	2,620.14	2,116.12
Profit before Exceptional Items	(1,561.64)	1,883.88
Exceptional Items (Net)	869.94	-
<b>Profit before Taxes</b>	<b>(691.70)</b>	1,883.88
Tax (Expense) / Benefits	477.17	(171.50)
<b>Profit after Taxes</b>	<b>(214.53)</b>	1,712.38
Add: Surplus brought forward from previous year	6,080.27	4,870.25
<b>Amount available for appropriation</b>	<b>5,865.74</b>	6,582.63
Appropriation		
Proposed Dividend	-	417.39
Corporate Dividend Tax	-	84.97
<b>Surplus carried to Balance Sheet</b>	<b>5,865.74</b>	6,080.27

Note: Figures are regrouped wherever necessary to make the information comparable.

### 2. Year in Retrospect:

During the year under review, consumer spending remained subdued with continued global economic slowdown; the geopolitical risk environment across the globe and the challenging regulatory changes on the domestic front. Despite the favorable monsoon and 7<sup>th</sup> pay commission pay-outs which led to agriculture and rural growth, the slowdown in industrial and service sector and demonetisation kept the scope of growth for the textile sector limited. Profit margins for the organised textile sector remained depressed with higher raw material cost and intense competition in the segment.

Against this backdrop, the year was indeed very challenging for your company. The overall performance of the Company during FY 2016-17 was adversely impacted by several macro level factors. Total Revenue fell by 5% to ₹1,28,068.39 Lakhs, EBIDTA went down by 38% to ₹3,764.09 Lakhs leading to a Net Loss for the year of ₹214.53 Lakhs as against a Net Profit of ₹1,712.38 Lakhs for the previous year.

At the macro level the factors like a steep increase in Cotton prices, impact of demonetisation on retail demand and a slump in the Denim industry impacted the performance of the Company.

Further for FY 2016-17, the Company had higher Finance Cost & Depreciation charge since we have implemented the capacity expansion projects leading to higher term borrowings and increase in fixed assets. The full benefits of these projects shall accrue in subsequent years. Further operating margins were squeezed because of higher Cotton prices on one side and intense competition, weaker demand and curtailed selling prices on the other side.

After an arduous year, the Company expects to turn around on the back of initiatives taken for improvements in plant efficiency, new product developments and a widening of the marketing and distribution network. Towards this, during the year the Company invested net of ₹10,196.21 Lakhs in Fixed Assets to balance and upgrade the existing manufacturing equipment's and facilities.

During the year under review, your company has repaid long term borrowings amounting to ₹1,711.79 Lakhs as per scheduled timeline and raised ₹6,975.53 Lakhs to part finance capital expenditure plans being implemented. Your company expresses gratitude to all the term loan and working capital lenders for their continuing support and faith in the company.

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

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

### 3. Dividend:

Your Board of Directors are cognizant of the fact that during the year under review the operations of the Company have resulted in losses. However, in the opinion of the Board, this is an aberration as Company was impacted by macro level factors at the same time it commissioned capacity expansion projects leading to higher interest and depreciation cost. Your Directors believe that the capital expenditure which the Company has incurred on capacity expansion and for improving the product mix should yield result in the years to come. Keeping in mind the future outlook, it is proposed to pay dividend out of the accumulated profits of the Company for the previous financial years (₹6080.27 lakhs) remaining undistributed and not transferred to general reserves in absence of profit for the financial year ended 31<sup>st</sup> March, 2017. The Loss for the financial year ended 31<sup>st</sup> March, 2017 is ₹214.53 lakhs. Accordingly, the Board of Directors recommends a dividend for the year of ₹2/- per share (previous year ₹3/- per share) on 1,39,12,886 Equity Shares of face value of ₹10/- each, aggregating to ₹278.26 lakhs. (Previous year ₹417.39 lakhs)

### 4. Restructuring of Promoters Shareholding:

During the year under review, Shri H. A. Mafatlal, Shri V. P. Mafatlal, their family members, family trusts and the Companies including the three listed entities viz. the Company, Navin Fluorine International Limited (NFIL) and NOCIL Ltd. entered into an agreement to amicably restructure the shareholding of the three listed companies and other group companies in such a way that the Management of the Company and NOCIL Ltd. reside with Shri H. A. Mafatlal and the Management of NFIL reside with Shri V. P. Mafatlal. The restructuring is part of a family settlement and succession plan between Shri H. A. Mafatlal and Shri V. P. Mafatlal.

Pursuant to the above, the Company has divested part of its shareholding in Navin Fluorine International Limited and increased its shareholding in NOCIL Ltd. during the year.

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

During the year under review, Shri Praful R. Amin, Non-Executive Independent Director of the Company, has opted for retirement after a very long association with the Company and accordingly he ceased to be a director w.e.f. 11<sup>th</sup> August, 2016.

Pursuant to the arrangements amongst the Promoters as mentioned hereinabove in para 4, Shri V. P. Mafatlal, Executive Vice Chairman stepped aside as such with effect from close of office hours on 19<sup>th</sup> August, 2016.

The Board of Directors of the Company places on record its appreciation for the services rendered and invaluable contributions made by Shri Praful R. Amin and Shri V. P. Mafatlal during their long tenure with the Company.

Further, the Board of Directors of the Company at their meeting held on 25<sup>th</sup> October, 2016, appointed Shri Hrishikesh A. Mafatlal as Executive Chairman of the Company w.e.f. 1<sup>st</sup> November, 2016 subject to the approval of the shareholders of the Company. Besides, the Board at that meeting also appointed Shri Priyavrata H. Mafatlal as an Additional Director of the Company who will hold office until the date of ensuing 103rd Annual General Meeting of the shareholders of the Company. He has also been appointed as Executive Director (whole time director) w.e.f. 1<sup>st</sup> November, 2016 of the Company for a period of five years subject to the approval of the shareholders of the Company. Accordingly, the requisite resolutions for approval of the shareholders have been proposed in the Notice convening 103rd Annual General Meeting.

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013, Shri Atul K Srivastava (DIN 00046776) Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

### 6. Subsidiaries, Associates and Joint Ventures:

Mafatlal Services Ltd continues to be a subsidiary of the Company and Al Fahim Mafatlal Textiles LLC (UAE), continues to be Joint Venture (JV company) in which the Company and JV Partner has 49:51 share.

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 [http://www.mafatlals.com/uploads/8/3/1/2/8312181/policy\\_on\\_materiality\\_of\\_subsidary.pdf](http://www.mafatlals.com/uploads/8/3/1/2/8312181/policy_on_materiality_of_subsidary.pdf). The audited accounts of Mafatlal Services Limited, a subsidiary of the Company, for the year ended 31<sup>st</sup> March, 2017 is placed on the Company's website [www.mafatlals.com](http://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.

Al Fahim Mafatlal Textiles LLC (UAE) remained non-operational and since there is no foreseeable beneficial future, the Board of Directors of the Company as well as the JV Partner have consented for voluntary winding up/closure of that entity subject to the compliance of applicable laws. 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 2016-17.



## 7. 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 31<sup>st</sup> March, 2017.

## 8. Internal Financial Controls:

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

## 9. Directors' Responsibility Statement:

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the period under review;
- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the directors have prepared the annual accounts on a 'going concern' basis;
- (v) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (vi) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 10. Industrial Relations:

The relations between the employees and the Management have remained cordial and harmonious during the year under review. The total number of permanent employees as on 31<sup>st</sup> March, 2017 were 2808 (2769 in previous year).

## 11. 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.

## 12. 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 V. R. Gupte (Independent Director) are other Members of the Committee. Shri V. P. Mafatlal was a member of the Committee until his resignation on 19<sup>th</sup> August, 2016 when he ceased to be a director of the Company. Shri A. K. Srivastava, Non-Executive Director of the Company, was appointed as a member of the said Committee. During the year under review, two meetings of CSR Committee were held i.e. on 29<sup>th</sup> July, 2016 and 23<sup>rd</sup> March, 2017, which were attended by all Committee members.

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 [http://www.mafatlals.com/uploads/8/3/1/2/8312181/corporate\\_social\\_responsibility\\_policy.pdf](http://www.mafatlals.com/uploads/8/3/1/2/8312181/corporate_social_responsibility_policy.pdf).

The Company has fulfilled its CSR Obligation for the year 2016 -17. The statutory disclosures in respect of the CSR activities undertaken and amount spent by the Company during the year under review is disclosed in prescribed format and the same is annexed hereto forming a part of this report.

## 13. Related Party Transactions:

There are no materially significant related party transactions made by the Company during the year. Related Party Transactions Policy is posted on the website of the company and is available at [http://www.mafatlals.com/uploads/8/3/1/2/8312181/related\\_party\\_policy.pdf](http://www.mafatlals.com/uploads/8/3/1/2/8312181/related_party_policy.pdf). The details of all the transactions with the related parties are disclosed in the Notes forming part of financial statements annexed to the financial statements for the year 2016-17.

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

**14. Management Discussion and Analysis Report & Corporate Governance:**

As required under Schedule V (B) and (C) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, "Management Discussion and Analysis Report" as well as "Corporate Governance Report", are attached herewith and marked as **Annexure I & II** respectively and the same forms part of this Directors' Report.

Further, during the year under review, the Company has complied with all the mandatory requirements of the Corporate Governance. A certificate from the statutory auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed to the Report on Corporate Governance.

**15. Other Statutory disclosures:**

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

**16. Statutory Auditors & Audit Report:**

The existing Statutory Auditors M/s. Deloitte Haskins & Sells, Chartered Accountants, will retire upon conclusion of the ensuing 103<sup>rd</sup> Annual General Meeting, in compliance with the provisions relating to mandatory rotation of Auditors under the Companies Act, 2013. Accordingly, pursuant to Section 139 of the Companies Act, 2013, the Board of Directors has, at its meeting held on 24<sup>th</sup> March, 2017 based on the recommendation of the Audit Committee, subject to the approval of the Members at the ensuing 103<sup>rd</sup> Annual General Meeting, approved the appointment of M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No.012754N/N500016) as the Statutory Auditors of the Company to hold office from the conclusion of the ensuing 103<sup>rd</sup> Annual General Meeting until the conclusion of 108<sup>th</sup> Annual General Meeting.

At the ensuing Annual General Meeting, Members are requested to approve the appointment of M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No.012754N/N500016), as Auditors of the Company to hold office from the conclusion of the 103<sup>rd</sup> Annual General Meeting until the conclusion of the 108<sup>th</sup> Annual General Meeting. The requisite resolution with explanatory statement is proposed for consideration by the members in the notice convening ensuing annual general meeting.

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

**17. Cost Audit:**

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read relevant Rules made thereunder the audit of the cost records of the Company for the year 2016-17 relating to the "Textiles" products manufactured and traded by the Company is being carried out by Cost Auditors Shri. B. C. Desai, Cost Accountants. The Cost Audit Report will be filed on or before due date with the Ministry of Corporate Affairs in due course of time after the same is approved by the Board of Directors of the Company by 27<sup>th</sup> September, 2017.

The Board has, at their Meeting held on 5<sup>th</sup> May, 2017 re-appointed Shri B. C. Desai as Cost Auditor to audit cost records in respect of "Textiles" products manufactured and traded by the Company for the Financial Year 2017-18 and the remuneration payable to the Cost Auditor has been proposed for the approval/ ratification by the Members of the Company at the ensuing Annual General Meeting.

**18. 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.

**19. Secretarial Auditor and Secretarial Audit Report:**

The Board of Directors of the Company has, in compliance with the provisions of Section 304(1) of the Companies Act, 2013 and Rules made in this behalf, appointed Shri Manuprasad M. Patel, Company Secretary in practice to carry out Secretarial Audit of the Company for the financial year 2016-17. The Report of the Secretarial Auditor is annexed to this Report as Annexure IV. The said report does not contain any qualification, adverse observations/ remarks. The observations made therein, are self-explanatory.

**20. 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,

Sd/-

Place: Mumbai  
Date: 5<sup>th</sup> May, 2017

**H. A. MAFATLAL**  
Chairman  
(DIN: 00009872)

## Annexure I to Directors' Report

### Management discussion and Analysis

#### Overview of the Economy

During the year under review, global economic growth slowed down, political scene changed across the globe and geopolitical risks increased. However, recent indicators indicate improving global scenario backed by stabilizing growth in China, stronger activity in advanced economies and step up in emerging market led by improving prices.

In 2016-17, Indian economy slowed down amidst rising challenges in the global environment. Economic growth was well supported by pick up in agricultural and rural growth due to buoyant monsoon after two years of rain deficit and 7<sup>th</sup> pay commission pay-outs while industrial and service sector growth slowed down. In Q3FY17, the Government announced ban on ₹1000 and ₹500 notes (Read "Demonetisation"). The impact of demonetisation on the overall growth is still difficult to assess, however it impacted badly small and medium sized businesses. The year FY17 is expected to end with GDP growth estimated around 7.1% compared to 7.9% during FY16. However, key reforms like Aadhar Act, Bankruptcy Code, Goods and Services Tax (GST) and thrust towards digitization bode well for economic growth in the medium to long term. Besides this low inflation, well anchored fiscal and current account deficit should lead to low and stable interest rate regime.

#### Overview of Textile Sector

Growth in sector depends on consumer spending and there are multiple factors affecting consumer spending like actual and perceived economic condition, disposable income, employment and consumer credit availability. Though the impact of demonetisation on overall growth is still to be assessed, it has adversely impacted the Textile sector as a significant portion of the transactions at the consumer level are done in cash.

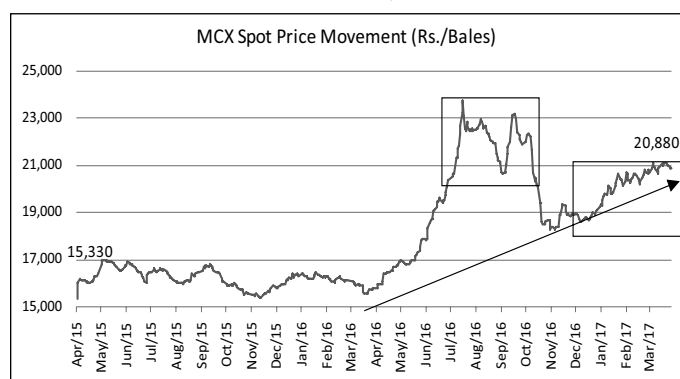
Index of Industrial Production (IIP) for textile has grown by 1.2% and for apparel has declined by 2.6% in April to January during year 2016-17 as compared to corresponding period last year. Wholesale Price Index (WPI) for textile has shown an increase of average 1.1% during the same period. Textile and apparel exports also reduced by 5% during April- December 2016 compared to last year due to weak global growth. Total cloth production in India declined to an estimated 53.5 billion square meters in FY17 from 64.6 billion square meters in FY16 due to lower demand. Further the sector margins were impacted due to higher yarn and cotton prices resulting from lower availability of cotton and quality related issues.

During FY17 to promote textile sector Ministry of Textile announced power loom sector scheme, amended technology upgradation fund scheme and garmenting promotion package. With rising population & favourable demographics, aspirant middle class and increasing global demand, textile sector is expected to grow to USD 226 billion by 2023 from USD 137 billion in 2016.

#### Overall Company Performance Review and Outlook

Your Company operates in Textile segment with separate strategic units for Textiles & Denim. The overall performance of the Company during FY 2016-17, especially in the second half of the year, was adversely impacted by several macro level factors.

As represented by the graph below, the Cotton prices shot-up by almost 48% from the level of around ₹16,000 per bale in mid-March 16 to around ₹23,700 per bale in July 16. Cotton prices remained highly fluctuated from July 16 to Oct 16 and thereafter with commencement of new season softened to the price levels of ₹18,300 per bales-. However, the Prices again picked the upward trend and reached to the levels of ₹20,900 during March 17. The average price for Cotton during FY 2016-17 was ₹19,850 bale as against ₹16,198 per bale during FY 2015-16. This resulted into sharp increase of 21.3% in cotton procurement prices for the Company during FY 2016-17. Consequent to Cotton prices, the Yarn & Grief fabric cost also went up. This led to Raw Material Cost rising to 29% of Revenue from Operations in FY 2016-17 from 22% in previous FY 2015-16 resulting in to lowering EBITDA margin to 3% for the year under review from 5% in the previous year.



The second half of FY 2016-17 witnessed significant slowdown in retail demand in India post Demonetisation impacting domestic trade business of the Company. The company witnessed significant fall in domestic trade business in second half of FY 2016-17. For the entire year, Revenue from Operations has de-grown by 4%.

Your company is committed towards improvement in infrastructure, capital asset upgradation and modernization. Company is continuously focusing towards reduction in operating cost and wastage; and improvement in efficiency of both human and mechanical assets.

Your company competes with organised as well as unorganized fabric manufacturers in domestic market space where revenue and cash generation is directly related to seasonality. In global market space although your company has limited exposure but it continuously faces a challenging environment.

Your Company is continuously working towards building its brand image by introducing value added products and expanding its distribution network in both domestic and international markets. Company has also taken various steps towards strengthening its Human Resource capabilities, and IT infrastructure, which will provide a strong base for future endeavour.

#### Performance Review

FY 2016-17 has been very challenging for the company and financial performance was severely impacted. Total revenue has declined by 5% to ₹1,28,068 Lakhs and Earnings Before Interest & Depreciation (EBITDA) has reduced by 38% to ₹3764 lakhs.

₹ in Lakh

Particulars	For the year ended on			
	March 31, 2017		March 31, 2016	
	Amount	% of Revenue	Amount	% of Revenue
Revenue from Operations	1,27,022	99%	1,32,309	98%
Other Income	1,046	1%	2,157	2%
Total Revenue	1,28,068	100%	1,34,466	100%
Cost of Material Consumed	37,181	29%	29,985	22%
Purchase of Stock-in-trade	47,529	37%	58,872	44%
Changes in Inventory of Finished Goods, Work-in-progress & Stock-in-trade	-2,706	-2%	-2,413	-2%
Employee Benefit Expenses	12,780	10%	12,160	9%
Other Expenses	29,520	23%	29,743	22%
Total Expenses	1,24,304	97%	1,28,347	95%
EBIDTA	3,764	3%	6,119	5%
Finance Cost	2,620	2%	2,116	2%
Depreciation & Amortization	2,706	2%	2,119	2%
Profit Before Exceptional Items & Tax	-1,562	-1%	1,884	1%
Exceptional Items	870	1%	-	0%
Profit Before Tax	-692	-1%	1,884	1%
Net Tax Expenses	477	0%	-172	0%
Profit for the year	-215	-1%	1,712	1%

#### Revenue from Operations and Other Income:

Total Revenue of the Company declined by 5% over previous financial year. Other Income (consisting Interest Income, Dividend Income from Long Term Investments, Net Gain on Foreign Currency Transactions and Other Non-Operating income) has also declined by 51% compared to previous year.

#### Materials Consumed and Purchase of Traded goods

The cost of Material Consumed, which includes Cotton & Fibres, Yarn, un-processed fabric and other direct materials, constitutes 29% of Revenue from Operations for FY 16-17 as against 22% in FY 15-16. This is mainly due to 21% increase in the Cotton costs. Purchase of Traded Goods showed a decline of 19%.

#### Employee Benefit Expenses

The Employee Benefit Expenses for the year is higher by 5% in absolute value; however, as a percentage to Total Revenue, it has marginally gone up to 10% as against 9% for FY 15-16.

#### Other Expenses

Other Expenses which include various manufacturing, marketing and administrative overheads at ₹29,520 lakhs has remained more or less same as that for FY 15-16 in absolute terms. As a percentage to Total Revenue, it has gone up to 23% from 22% for FY 15-16.

#### Debt

Your Company mobilized ₹6,975.53 Lakhs in long-term debt primarily in the form of rupee-term loans. Net short-term borrowings increased by ₹4,278.06 Lakhs. Your Company repaid a long-term loan of around ₹1,711.79 Lakhs in line with the repayment schedule. Borrowings were maintained to fund capital expenditure for increasing production capacity, modernization, production efficiency and value addition.

#### Finance Costs

The finance cost for FY 16-17 is ₹2,620 Lakhs as against ₹2,116 Lakhs for the FY 15-16. The increase in finance cost is primarily on account of long term borrowing raised and higher working capital utilization during the year to finance capacity expansion and higher working capital requirements. Finance Cost as a percentage to Total Revenue however remained almost unchanged.

#### Depreciation

Depreciation in absolute terms has increased to ₹2,706 Lakhs as compared to ₹2,119 Lakhs in FY 15-16 as during the year the Company completed & commissioned capacity expansion project which has led to increase in the Fixed Assets of the Company. As a percentage to Total Revenue it has increased to 2.11% as compared to 1.57% for FY 15-16.

#### Human Resources

Human resources is a significant part of your company's overall development. Your Company emphasized talent nurturing and retention, providing avenues for learning and development through functional and, behavioural training programs. Your Company is engaged in a constructive relationship with employees with an emphasis on innovation; productivity & efficiency improvements and underlining safe working practices.

#### Adoption of Indian Accounting Standards (Ind AS)

Your company will adopt Indian Accounting Standards (Ind AS) with effect from April 1, 2017 pursuant to Ministry of Corporate Affairs notification of the Companies Rules, 2015. For year 2016-17, company has completed the assessment of impact of change to Ind AS for relevant periods. The company has modified accounting and reporting systems to facilitate the changes.

## Division Wise Review and Outlook

### Textiles:

The Textile business, during the year under review witnessed significant growth led by volume growth in both production and sales growth and consequent improvement in the operating margins. While Production grew by 35%, Sales Volume grew by 22% during the year under review.

During the year under review, the printing capacity was enhanced by installing one digital printing and two rotary printing machines. At the same time both spinning & weaving facilities were downsized by closing the old manufacturing facilities at Navsari. Textile division achieved significant improvement in operating efficiency & productivity in both spinning & weaving.

Your Company is a leading player in the polyester cotton and 100% cotton white shirting business; cotton and viscose prints and high twist cotton voiles.

The Company operates in both the business to business (B2B) and the business to consumer (B2C)/retail segment. In B2B segment, Company caters to both the international & the domestic brands as well as to readymade garment exporters. There has been impressive growth of over 40% in the B2B segment mainly driven by international brands. The Company manufactures & exports voiles mainly to Middle East markets. Despite volatile political and economic conditions prevailing in these markets, the voiles business has shown a good growth. Domestic consumer sales grew by 7% as demand from trade was significantly affected by demonetisation.

School Uniform fabric business, where Company enjoys a leadership position, continued to grow significantly during the year. The Company also entered School Uniform garment segment and has created retail footprints by opening retail stores. During the year under review, the Company also made foray into ladies wear segment which has received highly encouraging response from the market.

The Company is also building strong B2C footprint with product portfolio consisting of the Suiting as well as Shirting fabric especially in the polyester cotton and polyester viscose segments, Ready to Stitch Combos and Apparels. The Company expects significant growth in B2C segment in times to come.

In the coming year, the Company shall work relentlessly on expanding its product portfolio by developing value added products in the whites and prints segment to expand its market shares in this segment.

### Denim:

The year 2016-17 was highly challenging across the denim industry. The growth momentum witnessed during the first half of the year was halted in the second half of the year post demonetisation which impacted severely the demand from domestic trade. Further the operating margins got squeezed significantly on account of higher Cotton prices, excess capacity in denim industry and intense price competition. On the whole year 2016-17 was disappointing for Denim business.

During the year under review Denim division expanded the Weaving capacity. This will help to reduce the dependence on outsourced greig fabric and will further support in improvement of the operating margins. The other highlights of the year were decent growth in exports especially to Latin American markets. While sales to domestic trade business was muted, the sale to Brands witnessed good traction. We were also able to make the breakthrough with few of the leading international brands.

In coming year, emphasize is being given in improving plant efficiency, product quality and development of new products based on current fashion trends. Further lot of efforts are initiated to drive the growth of exports with focus on brands nomination business. All these initiatives coupled with improved demand situation especially in domestic market are expected to lead to much better year ahead for Denim business.

### Outlook:

Your Company expects turn-around in its performance in coming year on account of several initiatives taken by the Company in improving plant efficiency, new product developments and focus on growing Brands nomination business. The macro level factors like Government's continued focus on textile automation and integrated textile parks, favourable demographics, rising disposable income levels and increasing global demand are conducive to the growth of Textile Industry. With the introduction of GST, the Company expects increased formalization of the textile sector leading to an increase in market share of the organised players which bodes well for your Company. Future growth will be driven by volume growth across business units. In the immediate future, your Company will focus on its core strengths product segments such cotton & viscose prints, polyester cotton & cotton white fabric, high twist cotton voiles, school uniform fabrics, ladies wear and value added Denim product portfolio. The B2C footprints which Company is creating shall also contribute to growth in medium term. To summarise, your Company is optimistic for the growth in the medium term in revenues as well as operating margins.



**Annexure II to Directors' Report****CORPORATE GOVERNANCE REPORT**

This Corporate Governance Report for the year ended 31<sup>st</sup> March, 2017, forms part of the Directors' Report and the same has been prepared on the basis of the provisions of Clause C of the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

The Company's philosophy on Code of Governance is intended to bring about –

- Transparency, accountability and integrity in the Organization

- Implementation of policies and procedures prescribed by the Company to ensure high ethical standards in all its business activities and responsible and responsive management.

**(2) Board of Directors:**

The Board of Directors consisted of 09 (Nine) Directors as at the end of the year as at 31<sup>st</sup> March, 2017. The Board comprised of two Executive Promoter Directors, one Non-Executive Non Independent Director, one Executive Professional Director and five Non-Executive Independent Directors including one Woman Independent Director. The Board of Directors is headed by Shri Hrishikesh A. Mafatlal who is the Chairman (Executive Chairman) of the Company. The composition of the Board is in conformity with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The further details are as follows:

Sr. No.	Names of Directors	Category	No. of Board Meetings held	No. of Board Meetings attended	Whether last AGM held on 11 <sup>th</sup> August, 2016 attended	Other directorship held (including private companies) at the year end	No. of Committee <sup>5</sup> Membership / Chairmanship in other companies at the year end	
							As Chairman	As Member
1.	Shri Hrishikesh A. Mafatlal (appointed as Executive Chairman w.e.f. 01/11/2016)	Promoter-Executive (Non-Executive till 30.10.2016)	08	08	Yes	06 (03 Pvt. Ltd. Cos.)	Nil	02
2.	Shri Atul K. Srivastava	Non-Executive Non-Independent	08	08	Yes	01	Nil	01
3..	Shri Vilas R. Gupte	Non-Executive Independent	08	06	Yes	02	Nil	01
4.	Shri Pradip N. Kapadia	Non-Executive Independent	08	08	Yes	10 (06 Pvt. Ltd. Cos.)	02	05
5.	Smt. Latika P. Pradhan	Non-Executive Independent	08	07	Yes	01	01	Nil
6.	Shri Gautam G. Chakravarti	Non-Executive Independent	08	07	Yes	01	Nil	Nil
7.	Shri Sujal A. Shah	Non-Executive Independent	08	08	Yes	13 (05 Pvt. Ltd. Cos.)	04	05
8.	Shri Aniruddha P. Deshmukh	Executive Non- Independent	08	07	Yes	Nil	Nil	Nil
9.	Shri Priyavrata. H. Mafatlal (w.e.f. 01.11.2016)	Promoter Executive	05*	05*	N.A.	01 (01 Pvt. Ltd. Co.)	Nil	Nil
10.	Shri Praful R. Amin* (upto 11.08.2016)	Non-Executive Independent	03*	03*	Yes	Nil	Nil	Nil
11.	Shri Vishad P. Mafatlal* (upto 19.08.2016)	Promoter Executive	03*	03*	Yes	14 (10 Pvt. Ltd. Cos. & 01 Foreign Co.)	Nil	01

<sup>5</sup>Under this column, memberships/Chairmanships of Audit Committee and Stakeholders Relationship Committee in all Public Limited Companies (excluding Mafatlal Industries Limited), are only considered .

\*Shri Praful R. Amin and Shri Vishad P Mafatlal have retired/resigned as a Directors of the Company and accordingly ceased as Directors w.e.f. 11<sup>th</sup> August, 2016 and 19<sup>th</sup> August, 2016 respectively. The details pertaining to them are provided hereinabove which remained valid as at the end of their tenure. There were three board meetings held till they were directors of the Company. Shri P H Mafatlal was appointed as Executive Director w.e.f. from 1<sup>st</sup> November 2016. There were Five Board Meetings held since then and all were attended by him.

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

During the year under review viz., 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017, total 8 (eight) Meetings of the Board of Directors of the Company were held on the following dates viz., 02<sup>nd</sup> May, 2016, 29<sup>th</sup> July, 2016, 06<sup>th</sup> August, 2016, 25<sup>th</sup> October, 2016, 15<sup>th</sup> December, 2016, 25<sup>th</sup> January, 2017, 15<sup>th</sup> February, 2017 and 24<sup>th</sup> March, 2017. All Directors remained present for all the said meetings except Shri Vilas R Gupte for meetings held on 2<sup>nd</sup> May, 2016 & 25<sup>th</sup> October, 2016 Smt. Latika P Pradhan for meeting held on 25<sup>th</sup> October, 2016, Shri Gautam G Chakravarti for the Meeting held on 06<sup>th</sup> August, 2016, and Shri Aniruddha P. Deshmukh for meeting held on 29<sup>th</sup> July, 2016 for which all of them were granted leave of absence as requested by them.

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

**Independent Directors Meeting:**

Pursuant to provisions Schedule IV to the Companies Act, 2013, during the year under review, one meeting of Independent Directors was held on 23<sup>rd</sup> March, 2017. 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 is related to any other director of the Company.

**Details of shareholding of Non-Executive Directors:**

Name of the Director	Number of Equity Shares of ₹10/- each held as at 31 <sup>st</sup> March, 2017
Shri A. K. Srivastava	Nil
Shri V. R. Gupte	02
Shri P. N. Kapadia	138
Smt. Latika P. Pradhan	Nil
Shri Gautam G. Chakravarti	Nil
Shri Sujal A. Shah	Nil

**The Company does not have any other security issued.**

**The Details of the familiarization programmes imparted to Independent Directors is disclosed at the Company's website at**  
[http://www.mafatlals.com/uploads/8/3/1/2/8312181/familiarisation\\_programme\\_for\\_independent\\_directors.pdf](http://www.mafatlals.com/uploads/8/3/1/2/8312181/familiarisation_programme_for_independent_directors.pdf)

**(3) Audit Committee:**

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

The Audit Committee of the Board of Directors of 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, Shri Praful R Amin (Non-Executive Independent Director) has opted for retirement and accordingly ceased to be a director of the Company w.e.f. 11<sup>th</sup> August, 2016. He was the Chairman of the Audit Committee. The Board has inducted Shri G. G. Chakravarti on 12<sup>th</sup> October, 2016 as a member of the Audit Committee.

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

Sr. No.	Dates on which the Meetings of the Audit Committee were held during the year 2016-17	Shri V.R. Gupte	Smt. Latika P. Pradhan	Shri Sujal A. Shah	Shri Gautam Chakravarti	Shri P.R. Amin (up to 11.08.2016)
1.	2 <sup>nd</sup> May, 2016	No	Yes	Yes	N.A.	Yes
2.	29 <sup>th</sup> July, 2016	Yes	Yes	Yes	N.A.	Yes
3.	6 <sup>th</sup> August, 2016	Yes	Yes	Yes	N.A.	Yes
4.	25 <sup>th</sup> October, 2016	No	No	Yes	Yes	N.A.
5.	25 <sup>th</sup> January, 2017	Yes	Yes	Yes	Yes	N.A.

Yes – Attended, No – not attended

N.A. - Not Applicable

#### (4) Nomination and Remuneration Committee:

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

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

Sr. No.	Dates on which the Meeting of the Nomination and Remuneration Committee were held.	Shri V. R. Gupte	Shri P.R. Amin (up to 11.08.2016)	Shri P.N. Kapadia	Shri G. G. Chakravarti
1.	2 <sup>nd</sup> May, 2016	No	Yes	Yes	Yes
2.	25 <sup>th</sup> October, 2016	No	N.A.	Yes	Yes
3.	15 <sup>th</sup> February, 2017	Yes	N.A.	Yes	Yes
4.	23 <sup>rd</sup> March, 2017	Yes	N.A.	Yes	Yes

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

#### Performance evaluation criteria for Independent Directors:

- Participation in the vision and strategy of the Company.
- Commitment and Discipline towards his role and responsibilities.
- Exercising Independent Judgment.
- Maintenance of satisfactory attendance at the meetings of the Board and its Committees.
- Diligence in preparation and remaining well-informed.
- Participation in reviews of the internal financial controls and performance and seeking clarification and amplification as required.
- Participation in decision-making process & making constructive suggestions.
- Participation in Risk Management issues of the Organization and making constructive suggestion.
- Communication –meaningful and in constructive manner and giving fair chance to others for expressing their views.
- Contribution in implementing and sustaining good governance practices and review of compliances.
- Giving due weightage to the interest of all the Stakeholders in the process of decision making.

#### (5) Remuneration of Directors:

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

The Company has, during the year 2016-17, paid sitting fees to each Non-Executive Directors for attending the meetings of the Board of Directors and the Committees thereof @ ₹35,000/- per meeting. In addition to the sitting fees, the Non-Executive Directors are paid travelling/ conveyance expenses @ ₹1000/- per day of meeting (unless conveyance is provided by the Company) and the diem allowance @ ₹2000/- per day of meeting to the outstation directors.

The Shareholders of the Company at 99<sup>th</sup> Annual General Meeting held on 31<sup>st</sup> July, 2013 has authorised the payment of commission to Non-Executive Directors not exceeding 1% of the Net Profits of the Company determined in the prescribed manner under the provisions of the Companies Act, 2013 for a period of five years until 31<sup>st</sup> March, 2017. On a yearly basis, the Board decides the payment to such Directors. However due to inadequacy of profits for covering managerial remuneration for the year 2016-17, the Board of Directors of the Company has decided not to pay any commission to any of the Non-Executive Directors of the Company.

The Board of Directors of the Company at their meeting held on 25<sup>th</sup> October, 2016 appointed Shri H. A. Mafatlal as Executive Chairman of the Company and Shri Priyavrata H. Mafatlal as Executive Director (Whole Time Director) of the Company w.e.f. 1<sup>st</sup> November, 2016 subject to the approval of the shareholders.



Shri H. A. Mafatlal had voluntarily opted for waiver of the remuneration as Executive Chairman of the Company for the year 2016-17. However, He was paid sitting fees for attending the meetings of the Board and Committee thereof where he is member till 30<sup>th</sup> October, 2016 as being Non-Executive Director till that date.

**Details of Remuneration paid to all Directors:**
**(₹ in Lakhs)**

Sr. No.	Names of Directors	Salary, Allowances & Perquisites	Commission	Sitting Fees	Total
1.	Shri H. A. Mafatlal	Nil	Nil	1.75	1.75
2.	Shri A. K. Srivastava	Nil	Nil	3.85	3.85
3.	Shri V. R. Gupte	Nil	Nil	4.55	4.55
4.	Shri P. N. Kapadia	Nil	Nil	5.25	5.25
5.	Smt. Latika Pradhan	Nil	Nil	4.20	4.20
6.	Shri Gautam Chakravarti	Nil	Nil	4.90	4.90
7.	Shri Sujal A. Shah	Nil	Nil	5.25	5.25
8.	Shri Aniruddha P. Deshmukh #	228.84	Nil	Nil	228.84
9.	Shri P. H. Mafatlal (w.e.f. 01.11.2016) #	27.56	Nil	Nil	27.56
10.	Shri P. R. Amin (up to 11.08.2016)	Nil	Nil	2.45	2.45
11.	Shri Vishad P. Mafatlal# (up to 19.08.2016)	149.86	Nil	Nil	149.86

No Bonus or stock options given/provided to any directors for the financial year 2016-17.

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 2016-17, no performance linked bonus/commission was paid to any directors.

# The remuneration of Executive Directors includes the contribution to P.F. and superannuation fund and in respect of Shri Vishad P. Mafatlal (till 19.08.2016). It is inclusive of all retirement benefits i.e. leave encashment, gratuity payments at the end of tenure as per the policy of the Company.

**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.

**(6) Stakeholders' Relationship Committee:**

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

During the year, the Committee was re-constituted pursuant to the resignation of Shri V. P. Mafatlal as a director of the Company. Accordingly, the Board has inducted Shri A. K. Srivastava as a member of the Committee and he was elected as Chairman of the Committee.

During the year 2016-17 two meetings of the Stakeholders Relationship Committee were held and the attendance of the Members are as under:

Sr. No.	Date of the Stakeholders Relationship Committee Meeting	Shri A. K. Srivastava	Shri P. N. Kapadia	Shri H. A. Mafatlal	Shri V. P. Mafatlal (up to 19.08.2016)
1.	1 <sup>st</sup> July, 2016	N.A	Yes	Yes	Yes
2.	23 <sup>rd</sup> March, 2017	Yes	Yes	Yes	N.A.

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, 2016 to 31st March, 2017, are as follows:

Number of shareholders complaints received so far : 08

Number not solved to the satisfaction of shareholders : 00

Number of pending complaints : 00

## 7. General body meetings:

### (a) Details of last three annual general meetings and details of special resolution passed:

Sr. No.	Location	Time	Annual General Meeting and date	Whether any special resolutions passed at AGM and (No. of such resolution passed)
1.	J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad-380 015	10.00 A.M.	102 <sup>nd</sup> Annual General Meeting held on 11 <sup>th</sup> August, 2016	Yes (5)
2.	J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad-380 015	10.00 A.M.	101 <sup>st</sup> Annual General Meeting held on 12 <sup>th</sup> August, 2015	Yes (2)
3.	Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad-380 006.	10.30 A.M.	100 <sup>th</sup> Annual General Meeting held on 5 <sup>th</sup> August, 2014	Yes(4)

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

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

## 8. Means of communication:

### i. Quarterly Results:

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

### ii. Newspapers wherein results normally published:

The Economic Times, in English

The Economic Times in Gujarati in both Ahmedabad and Mumbai

### iii. Any website, where displayed:

The Financial Results are displayed by the Company on its website [www.mafatlals.com](http://www.mafatlals.com).

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

### v. Presentations made to institutional investors or to the analysts:

None.

## 9. General shareholder information:

### i. Annual General Meeting – date, time and venue:

103<sup>rd</sup> Annual General Meeting of the Company will be held on Wednesday, 2<sup>nd</sup> August, 2017 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 1<sup>st</sup> to March 31<sup>st</sup> every year.

### iii. Dividend payment date:

The dividend as recommended by the Board of Directors, if declared at the 103<sup>rd</sup> Annual General Meeting will be paid on 8<sup>th</sup> August, 2017.

**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. Besides, the trading in the equity shares of the Company has not been done since last many years. 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 2017-18 only to BSE Ltd.

**(e) Stock Code:**

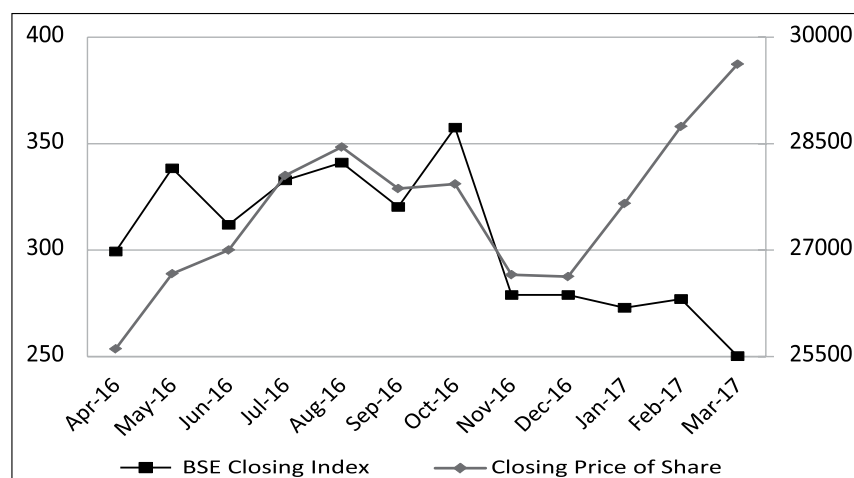
- BSE Limited: Security Code: 500264
- Ahmedabad Stock Exchange Ltd.: Security Code: 34100

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

Month	High	Low	Sensex		No. of Trades
			High	Low	
Apr-16	313.5	258	26,100.54	24,523.20	1,285
May-16	370	296	26,837.20	25,057.93	2,575
Jun-16	355	292.3	27,105.41	25,911.33	1,123
Jul-16	369.4	304	28,240.20	27,034.14	1,426
Aug-16	367.9	306.6	28,532.25	27,627.97	2,985
Sep-16	363.8	303	29,077.28	27,716.78	1,196
Oct-16	374.4	305	28,477.65	27,488.30	1,922
Nov-16	367.95	251	28,029.80	25,717.93	2,184
Dec-16	285	248	26,803.76	25,753.74	1,036
Jan-17	347	272	27,980.39	26,447.06	2,060
Feb-17	284.5	250	29,065.31	27,590.10	1,207
Mar-17	281.95	247.15	29,824.62	28,716.21	1,378

**(g) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc.:**

**BSE – Closing Index Vs. Closing Price of Share April 2016 to March 2017.**



Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
299.3	338.5	311.95	332.85	341.05	320.35	357.6	279	279	272.9	277	250.15
25,606.62	26,667.96	26,999.72	28,051.86	28,452.17	27,865.96	27,930.21	26,652.81	26,626.46	27,655.96	28,743.32	29,620.50

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

Not applicable.

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

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

**(j) Share Transfer System:**

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

**(k) Distribution of shareholding:**

**Distribution of shareholding as on 31<sup>st</sup> March, 2017 is as under:**

MAFATLAL INDUSTRIES LTD					
Distribution of Shareholding as on 31/03/2017					
Sl no	Category (Shares)	No. of Holders	% Holders	No. of Shares	% Equity
1	1 - 50	103385	96.89	497117	3.57
2	51 - 500	2807	2.63	481700	3.46
3	501 - 1000	265	0.25	196249	1.41
4	1001 - 2000	113	0.11	169902	1.22
5	2001 - 3000	31	0.03	75647	0.54
6	3001 - 4000	19	0.02	65540	0.47
7	4001 - 5000	17	0.02	79671	0.57
8	5001 - 10000	23	0.02	149267	1.07
9	10001 - Above	48	0.04	12197793	87.67
	<b>TOTAL</b>	<b>106708</b>	<b>100.00</b>	<b>13912886</b>	<b>100.00</b>

**(l) Shareholding Pattern :**

**Shareholding pattern as on 31<sup>st</sup> March, 2017 is as under:**

SHAREHOLDING PATTERN AS ON 31 <sup>ST</sup> MARCH, 2017			
Sr. No.	Category	Number of Shares held	% of holding
1	Promoter & Promoter Group	10414785	74.86
2	Mutual Funds /	9173	0.07
3	Banks / Financial Institutions / Insurance Companies / State Government Institutions.	352427	2.53
4	FIIS (Foreign Institutional Investors)	0	0.00
5	Bodies Corporate	294805	2.12
6	Indian Public	2775429	19.95
7	NRIs/ OCBs	66235	0.48
8	Any Other (please specify) Trust	32	0.00
	<b>Total</b>	<b>13912886</b>	<b>100.00</b>

**(m) Dematerialization of shares and liquidity:**

The Equity shares of the Company are under compulsory Trading in demat form. The demat code of the Equity Shares of the Company is **INE270B01027**. As on 31<sup>st</sup> March, 2017, 18330 shareholders holding 13423503 Equity Shares have dematerialized their shares which constitutes 96.48% of the total Paid-up Equity Share Capital of the Company.

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

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

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

The Company follows a conservative and risk-averse approach towards managing its foreign currency exposure. Hence, the Company endeavors to mitigate the risk associated with the exchange rate fluctuation by entering into a hedging contracts with the Company's Bankers. As of now the Company does not do any hedging in respect of commodities.

**(p) Plants / Factories location:**

- |                                   |   |   |
|-----------------------------------|---|---|
| 1) Nadiad Unit                    | : | Kapadvanj Road, Nadiad 387 001.             |
| 2) Navsari Unit                   | : | Vejalpore Road, Navsari 396445              |
| 3) Mazgaon Unit (Non-operational) | : | RambhauBhogaleMarg,Mazgaon, Mumbai 400 010. |

**(q) Address for correspondence:**

**Karvy Computershare Pvt. Ltd.**

**Unit: Mafatlal Industries Limited**

<b>Hyderabad Address:</b> Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032, India Tel:040 6716 2222 Fax: 040 2342 0814 E-mail: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a> website: <a href="http://www.karvycomputershare.com">www.karvycomputershare.com</a>	<b>Mumbai Address:</b> 24B, Rajabhadur Mansion, Ground floor, Ambalal Doshi Marg, Fort, Mumbai 400 023. Tel. 022-66235454 Fax 022-66331135	<b>Ahmedabad Address:</b> 201, Shail Complex, Opp. Madhusudan House, Off: C G Road, Nr. Navrangpura Telephone Exchange, Ahmedabad 380006 Phone: 079-26400527,65150009 Email: <a href="mailto:ahmedabad@karvy.com">ahmedabad@karvy.com</a>
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**The dedicated email id for the shareholders of the Company to make correspondence with Karvy is [mafatlal.ris@karvy.com](mailto:mafatlal.ris@karvy.com)**

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

**Mafatlal Industries Limited**

Corporate Identity Number: L17110GJ1913PLC000035

<b>Registered Office:</b> 301-302 Heritage Horizon, 3 <sup>rd</sup> Floor, Off: C. G. Road, Navrangpura, Ahmedabad - 380 009. Tel: 079 26444404-06, Fax : 079 26444403 Email: <a href="mailto:ahmedabad@mafatlals.com">ahmedabad@mafatlals.com</a> Website: <a href="http://www.mafatlals.com">www.mafatlals.com</a>	<b>Corporate Office:</b> Kaledonia Office No.3, 6 <sup>th</sup> 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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**(10) Other Disclosures:**

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

None.

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

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

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

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

In conformity with the requirements of Section 178 of the Companies Act, 2013, the Company has devised vigil mechanism and has formal whistle blower policy under which the Company takes cognizance of complaints made by the employees and others. No employee of the Company/ no other person have been denied access to the Audit Committee of the Board of Directors of the Company. During the year under review, no complaints have been received from any whistle blower. The Whistle Blower Policy of the Company has been posted on the website of the company and is available at [http://www.mafatlals.com/uploads/8/3/1/2/8312181/whistle\\_blower\\_policy.pdf](http://www.mafatlals.com/uploads/8/3/1/2/8312181/whistle_blower_policy.pdf)

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

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

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

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

**(e) Web link where policy for determining 'material' subsidiaries**

[http://www.mafatlals.com/uploads/8/3/1/2/8312181/policy\\_on\\_materiality\\_of\\_subsidiary.pdf](http://www.mafatlals.com/uploads/8/3/1/2/8312181/policy_on_materiality_of_subsidiary.pdf)

**(f) Web link where Policy on dealing with Related Party Transactions:**

[http://www.mafatlals.com/uploads/8/3/1/2/8312181/related\\_party\\_policy.pdf](http://www.mafatlals.com/uploads/8/3/1/2/8312181/related_party_policy.pdf)

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

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

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

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

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

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

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

**(16) CEO/ CFO Certification:**

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

## Annexure III to Directors' Report

(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 31/03/2017

[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) (since opted for exit & not in trading operation)
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any :-	<b>Karvy Computershare Private Limited</b> Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032, India Tel: 040 6716 2222 Fax: 040 2342 0814 E-mail: einward.ris@karvy.com website: www.karvycomputershare.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section of Companies Act,2013
1	Mafatlal Services Limited Mafatlal House, Backbay Reclamation, Mumbai 400020.	U51900MH1962PLC012314	Subsidiary	88%	2(87)
2	Al Fahim LinezLLc (UAE)	NA	Joint Venture	49%	2(6)



**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 01/04/2016				No. of shares held at the end of the year 31/03/2017				% 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)
<b>(A)</b>	<b>PROMOTER AND PROMOTER GROUP</b>									
<b>(1)</b>	<b>INDIAN</b>									
(a)	Individual /HUF	4865969	0	4865969	34.97	4865969	0	4865969	34.97	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	5483927	0	5483927	39.42	5483927	0	5483927	39.42	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	64889	0	64889	0.47	64889	0	64889	0.47	0.00
	<b>Sub-Total A(1) :</b>	<b>10414785</b>	<b>0</b>	<b>10414785</b>	<b>74.86</b>	<b>10414785</b>	<b>0</b>	<b>10414785</b>	<b>74.86</b>	<b>0.00</b>
<b>(2)</b>	<b>FOREIGN</b>									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total A(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total A=A(1)+A(2)</b>	<b>10414785</b>	<b>0</b>	<b>10414785</b>	<b>74.86</b>	<b>10414785</b>	<b>0</b>	<b>10414785</b>	<b>74.86</b>	<b>0.00</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>									
<b>(1)</b>	<b>INSTITUTIONS</b>									
(a)	Mutual Funds /UTI	3	9112	9115	0.07	3	9170	9173	0.07	0.00
(b)	Financial Institutions /Banks	212380	772	213152	1.53	208790	822	209612	1.51	-0.03
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	142815	1	142816	1.03	142815	1	142816	1.03	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total B(1) :</b>	<b>355198</b>	<b>9885</b>	<b>365083</b>	<b>2.62</b>	<b>351608</b>	<b>9993</b>	<b>361601</b>	<b>2.60</b>	<b>-0.03</b>
<b>(2)</b>	<b>NON-INSTITUTIONS</b>									
	<b>Bodies Corporate</b>									
(a)	1) Indian	137561	1965	139526	1.00	301462	2049	303511	2.18	-1.18
	2) Overseas				0.00				0.00	0.00
<b>(b)</b>	<b>Individuals</b>									
(i)	Individuals holding nominal share capital upto ₹1 lakh	1037173	483913	1521086	10.93	1056337	476753	1533090	11.02	-0.09
(ii)	Individuals holding nominal share capital in excess of ₹1 lakh	1414119	0	1414119	10.16	1225753	0	1225753	8.81	-1.35
(c)	Others									
	1) NON RESIDENT INDIANS	57661	588	58249	0.42	73526	588	74114	0.53	-0.11
	2) TRUSTS	38	0	38	0.00	32	0	32	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total B(2) :</b>	<b>2646552</b>	<b>486466</b>	<b>3133018</b>	<b>22.52</b>	<b>2657110</b>	<b>479390</b>	<b>3136500</b>	<b>22.54</b>	<b>-0.03</b>
	<b>Total B=B(1)+B(2) :</b>	<b>3001750</b>	<b>496351</b>	<b>3498101</b>	<b>25.14</b>	<b>3008718</b>	<b>489383</b>	<b>3498101</b>	<b>25.14</b>	<b>0.00</b>
	<b>Total (A+B) :</b>	<b>13416535</b>	<b>496351</b>	<b>13912886</b>	<b>100.00</b>	<b>13423503</b>	<b>489383</b>	<b>13912886</b>	<b>100.00</b>	<b>0.00</b>
<b>(C)</b>	<b>Shares held by custodians, against which</b>									
	Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	<b>GRAND TOTAL (A+B+C) :</b>	<b>13416535</b>	<b>496351</b>	<b>13912886</b>	<b>100.00</b>	<b>13423503</b>	<b>489383</b>	<b>13912886</b>	<b>100.00</b>	

**(ii) Shareholding of Promoters:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			% change in shareholding during the year
		No of Shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	No of Shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	
1	Vishad Padmanabh Mafatlal	1212316	8.71		0	0.00		-8.71
2	Hrshikesh Arvind Mafatlal	826803	5.94		3176150	22.83		16.89
3	Rupal Vishad Mafatlal	1203465	8.65		0	0.00		-8.65
4	Rekha Hrshikesh Mafatlal	804283	5.78		804283	5.78		0.00
5	Priyavrata Hrshikesh Mafatlal	554232	3.98		558722	4.02		0.03
6	A N Mafatlal Karta of A N M HUF 4 Mafatlal	5585	0.04		0	0.00		0.04
7	Aarti Manish Chadha	104342	0.75		149180	1.07		0.32
8	Anjali Kunal Agarwal	152829	1.10		177430	1.28		0.18
9	Padmanabh Arvind Mafatlal ( HUF )	1455	0.01		0	0.00		-0.01
10	Vishad P Mafatlal P A M HUF 1 P Mafatlal	455	0.00		0	0.00		0.00
11	Chetna Padmanabh Mafatlal	204	0.00		204	0.00		0.00
12	Navin Fluorine International Ltd	1774707	12.76		1071332	7.70	47.27	-5.06
13	Altamount Products and Services Pvt Ltd	1064443	7.65		1064443	7.65	100.00	0.00
14	Sukarma Investments Pvt Ltd	839173	6.03		839173	6.03	99.99	0.00
15	Nocil Limited	566320	4.07		1269695	9.13		5.06
16	Suremi Trading Private Limited	415279	2.98		1189431	8.55	14.39	5.56
17	Mafatlal Exim Pvt Ltd	376207	2.70		0	0.00		-2.70
18	Mafatlal Impex Private Limited	393728	2.83		0	0.00		-2.83
19	Arvi Associates Pvt Ltd	25259	0.18		25259	0.18		0.00
20	Gayatri Pesticem Manufacturing Pvt Ltd	22305	0.16		22305	0.16		0.00
21	Pamil Investments Private Ltd	4197	0.03		0	0.00		-0.03
22	Sushripada Investments Private Ltd	2269	0.02		2269	0.02		0.00
23	Sumil Holdings Private Ltd	10	0.00		10	0.00		0.00
24	Milap Texchem Private Limited	10	0.00		0	0.00		0.00
25	Miekha Texchem Company Private Limited	10	0.00		0	0.00		0.00
26	Shamir Texchem Private Limited	10	0.00		10	0.00		0.00
27	Sheth Mafatlal Gagalbhai Foundation Trust No. 2 to 22	16506	0.12		0	0.00		-0.12
28	Navinchandra Mafatlal Charity Trust No. 2 to 15	11004	0.08		11004	0.08		0.00
29	Shri Arvind N Mafatlal Public Charitable Trust No. 1 to 8	6288	0.05		6288	0.05		0.00
30	Shri Hrshikesh Arvind Mafatlal Public Charitable Trust No 1 to 6	4716	0.03		4716	0.03		0.00
31	Shri Padmanabh Arvind Mafatlal Public Charitable Trust No. 1 to 6	4716	0.03		4716	0.03		0.00
32	Shri Pransukhlal Charity Trust No 1 to 6	4716	0.03		4716	0.03		0.00
33	Mrs. Rekha Hrshikesh Mafatlal Public Charitable Trust No. 1 to 5	3120	0.02		3120	0.02		0.00
34	Mrs. Sushila Arvind Mafatlal Public Charitable Trust No. 1 to 5	3120	0.02		3120	0.02		0.00
35	Mrs. Miloni Padmanabh Mafatlal Public Charitable Trust No 1 to 5	2692	0.02		2692	0.02		0.00
36	Vishad P Mafatlal Public Charitable Trust No 1 to 4	2496	0.02		2496	0.02		0.00
37	Shri Padmakesh Public Charity Trust No. 1 to 4	2168	0.02		2168	0.02		0.00
38	Shri Rishipad Public Charity Trust no. 1 to 4	2168	0.02		2168	0.02		0.00
39	Mrs. Vijayalaxmi Navinchandra Mafatlal Public Charity Trust No.16, 19 & 20	1179	0.01		1179	0.01		0.00
40	Seth Navinchandra Mafatlal Foundation Trust No. 1	0	0.00		16506	0.12		0.12
	<b>Total</b>	<b>10414785</b>	<b>74.86</b>	<b>0.00</b>	<b>10414785</b>	<b>74.86</b>	<b>24.78</b>	<b>0.00</b>

\* The shareholding changes amongst the Promoters Group was done during August, 2016.

**(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 (01/04/2016)	10414785	74.86	10414785	74.86
2.	At the end of the year (31/03/2017)	10414785	74.86	10414785	74.86

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

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

Sl. no	Name of the Share Holder	Shareholding at the beginning of the Year (01 <sup>st</sup> April, 2016)			Shareholding at the end of the Year (31 <sup>st</sup> March, 2017)		
		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	608907	4.38	31/03/2016		608907	4.38
				08/04/2016	-100000	508907	3.66
				31/03/2017		508907	3.66
2	MINAL B. PATEL	295000	2.12	31/03/2016		295000	2.12
				26/08/2016	-295000	0	0.00
				31/03/2017		0	0.00
3	STATE BANK OF INDIA	168428	1.21	31/03/2016		168428	1.21
				31/03/2017		168428	1.21
4	HRIDAYNATH CONSULTANCY PRIVATE LIMITED	0	0.00	31/03/2016		0	0.00
				07/10/2016	400	400	0.00
				21/10/2016	239	639	0.00
				18/11/2016	3361	4000	0.03
				06/01/2017	-4000	0	0.00
				13/01/2017	997	997	0.01
				27/01/2017	153514	154511	1.11
				31/03/2017	-986	153525	1.10
				31/03/2017		153525	1.10
5	LIFE INSURANCE CORPORATION OF INDIA	142815	1.03	31/03/2016		142815	1.03
				31/03/2017		142815	1.03
6	BHARAT JAYANTILAL PATEL	0	0.00	31/03/2016		0	0.00
				08/04/2016	100000	100000	0.72
				27/01/2017	-14688	85312	0.61
				31/03/2017		85312	0.61
7	BHARAT JAMNADAS DATTANI	16146	0.12	31/03/2016		16146	0.12
				29/07/2016	963	17109	0.12
				05/08/2016	1390	18499	0.13
				30/09/2016	580	19079	0.14
				21/10/2016	1180	20259	0.15
				28/10/2016	-6	20253	0.15
				17/02/2017	1000	21253	0.15
				10/03/2017	26000	47253	0.34
				24/03/2017	2519	49772	0.36
				31/03/2017		49772	0.36
8	MINAL BHARAT PATEL	40000	0.29	31/03/2016		40000	0.29
				22/04/2016	-40000	0	0.00
				26/08/2016	295000	295000	2.12
				18/11/2016	-3361	291639	2.10

Sl. no	Name of the Share Holder	Shareholding at the beginning of the Year (01 <sup>st</sup> April, 2016)			Shareholding at the end of the Year (31 <sup>st</sup> March, 2017)		
		No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	No of Shares	% of total shares of the company
				20/01/2017	-135000	156639	1.13
				10/03/2017	-45954	110685	0.80
				31/03/2017		110685	0.80
9	PUNJAB NATIONAL BANK	39078	0.28	31/03/2016		39078	0.28
				31/03/2017		39078	0.28
10	TANVI JIGNESH MEHTA	0	0.00	31/03/2016		0	0.00
				17/03/2017	38305	38305	0.28
				31/03/2017		38305	0.28
11	JYOTI S. NANAVATI	36676	0.26	31/03/2016		36676	0.26
				31/03/2017		36676	0.26
12	BJD SECURITIES PRIVATE LTD	34341	0.25	31/03/2016		34341	0.25
				31/03/2017		34341	0.25
13	PRAFULCHANDRA BAPALAL VAIDYA	31744	0.23	31/03/2016		31744	0.23
				22/07/2016	-250	31494	0.23
				12/08/2016	-1000	30494	0.22
				02/09/2016	-500	29994	0.22
				09/09/2016	-500	29494	0.21
				16/09/2016	-574	28920	0.21
				25/11/2016	-500	28420	0.20
				02/12/2016	-1000	27420	0.20
				20/01/2017	-750	26670	0.19
				27/01/2017	-250	26420	0.19
				31/03/2017		26420	0.19
14	RINA S KAMDAR	31000	0.22	31/03/2016		31000	0.22
				31/03/2017		31000	0.22

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

Sr. No.	Shareholding of each Directors and KMP	Shareholding at the beginning of the year (01 <sup>st</sup> April, 2016)		Cumulative Shareholding at the end of the year (31 <sup>st</sup> March, 2017)	
		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 w.e.f. 25.10.2016 At the beginning of the year	826803	5.94	2349347	16.89
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) 12.08.2016	2349347	16.89	-	-
	At the end of the year	3176150	22.83	3176150	22.83
2	Shri Praful R. Amin – retired as a Director w.e.f. 11.08.2016 At the beginning of the year	211	0.00	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-
3	Shri Vishad P Mafatlal – stepped aside as Vice-Chairman and Director w.e.f. 19.08.2016 At the beginning of the year	1212316	8.71	1212316	8.71
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) 12.08.2016	1212316	8.71	-	-
	At the end of the year	-	-8.71	-	-

Sr. No.	Shareholding of each Directors and KMP	Shareholding at the beginning of the year (01 <sup>st</sup> April, 2016)		Cumulative Shareholding at the end of the year (31 <sup>st</sup> March, 2017)	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
4	Shri Priyavrata H. Mafatlal – appointed as Executive Director w.e.f. 01.11.2016 At the beginning of the year	554232	3.98	554232	3.98
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) 12.08.2016	4490	0.04	4490	0.04
	At the end of the year	558722	4.02	558722	4.02
5	Shri A. K. Srivastava At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-
6	Shri Vilas R. Gupte At the beginning of the year	2	0.00	2	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the year	2	0.00	2	0.00
7	Shri Pradip N. Kapadia At the beginning of the year	138	0.00	138	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the year	138	0.00	138	0.00
8	Shri Aniruddha P. Deshmukh At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-
9	Shri Milan P. Shah At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-
10	Smt. Latika P. Pradhan At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-
11	Shri Sujal A. Shah At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-
12	Shri Gautam G. Chakravarti At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-

Sr. No.	Shareholding of each Directors and KMP	Shareholding at the beginning of the year (01 <sup>st</sup> April, 2016)		Cumulative Shareholding at the end of the year (31 <sup>st</sup> March, 2017)	
		No of Shares	%of total shares of the Company	No of Shares	%of total shares of the Company
13	Shri Ashish A. Karanji	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-

**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment as on 31st March, 2017

(₹ in Lakhs)

Indebtedness as on 31.03.2017	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	22,425.24	-	-	<b>22,425.24</b>
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	91.62	-	-	<b>91.62</b>
<b>Total (i+ii+iii)</b>	<b>22,516.85</b>	-	-	<b>22,516.85</b>
Change in Indebtedness during the financial year				
• Addition	11,679.22	-	-	<b>11,679.22</b>
• Reduction	9,710.53	-	-	<b>9,710.53</b>
Net Change	<b>1,968.70</b>	-	-	<b>1,968.70</b>
Indebtedness at the end of the financial year				
i) Principal amount	24,393.94	-	-	<b>24,393.94</b>
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	134.87	-	-	<b>134.87</b>
<b>Total (i+ii+iii)</b>	<b>24,528.80</b>	-	-	<b>24,528.80</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager for the year 2016-17**

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Shri A. P. Deshmukh, MD& CEO	Shri P. H. Mafatlal ( WTD w.e.f. 1.11.2016)	Shri V. P. Mafatlal, WTD (Up to 19.08.2016)	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	203.06	24.47	42.13	269.66
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.17	0.17	0.74
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission – as % of profit – Other, specify	Nil	Nil	Nil	Nil
5	Other, please specify				
	a. Company's contribution to the Provident Fund	11.28	1.30	2.77	15.35
	b. Company's contribution to the Superannuation Fund	14.10	1.62	3.46	19.18
	c. PL encashment	Nil	Nil	41.83	41.83
	d. Gratuity (at the end of tenure)	Nil	Nil	59.50	59.50
	Total (A)	228.84	27.56	149.86	406.26
	Ceiling as per Sec.197 of the Companies Act, 2013	Negative	Negative	Negative	Negative

**B. Remuneration to other Directors for the year 2016-17:**

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration							Total Amount
1	<b>Independent Directors</b>	<b>Shri V. R. Gupte</b>	<b>Shri P. R. Amin (Up to 11.08.2016)</b>	<b>Shri P. N. Kapadia</b>	<b>Smt. Latika Pradhan</b>	<b>Shri Sujal Shah</b>	<b>Shri Gautam Chakravarti</b>	
	• Fee for attending board committee meetings	4.57	2.45	5.25	4.22	5.27	4.92	26.68
	• Commission							
	• Others, please specify							
	<b>Total (1)</b>	<b>4.57</b>	<b>2.45</b>	<b>5.25</b>	<b>4.22</b>	<b>5.27</b>	<b>4.92</b>	<b>26.68</b>
2	<b>Other Non-Executive Directors</b>	<b>Shri H. A. Mafatlal (upto 31.10.2016)</b>	<b>Shri A. K. Srivastava</b>					
	• Fee for attending board committee meetings	1.75	3.85					5.60
	• Commission							
	• Others, please specify							
	<b>Total (2)</b>	<b>1.75</b>	<b>3.85</b>					<b>5.60</b>
	<b>Total (B)=(1+2)</b>							<b>32.28</b>
	Overall Ceiling as per the Act							Negative
	<b>Total Remuneration(A)+(B)</b>							<b>438.53</b>

There is no commission paid to any directors in respect of financial year 2016-17. Shri H. A. Mafatlal was non-executive Chairman of the Company upto 31.10.2016 and accordingly was paid sitting fees for attending the meetings of the Board and Committees thereof. He was appointed as Executive Chairman of the Company w.e.f. 1.11.2017 for a period of five years subject to the approval of the shareholders at ensuing annual general meeting. However, he has indicated not to opt for any remuneration during 2016-17. Accordingly no remuneration was paid to him for the year ended 31<sup>st</sup> March, 2017 except sitting fees.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

(₹ in Lakhs)

		Key Managerial Personnel		
Sr. No.	Particulars of Remuneration	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	154.40	17.43	171.83
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.39	0.32	000.71
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil
5.	Others, please Specify	Nil	Nil	Nil
	a. Company's contribution to the Provident Fund	7.93	1.12	9.05
	b. Company's contribution to the Superannuation Fund	9.92	1.39	11.31
	c. PL encashment	Nil	Nil	Nil
	d. Gratuity (at the end of tenure)	Nil	Nil	Nil
	<b>Total</b>	<b>172.67</b>	<b>20.26</b>	<b>192.93</b>



**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES DURING THE YEAR 2016-17:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD I NCLT / COURT]	Appeal made, if any (give Details)
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**A. COMPANY**

Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

**B. DIRECTORS**

Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

**C. OTHER OFFICERS IN DEFAULT**

Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

**(B) Number of Meetings of the Board:**

During the year 2016-17 i.e. from 1.04.2016 to 31.03.2017, eight meetings of the Board of Directors of the Company were held.

**(C) Changes in Share Capital:**

During the year 2016-17 there is no change in the Share Capital of the Company.

**(D) Declaration given by Independent Directors:**

Pursuant to the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV, all the Independent Directors of the Company viz. Shri V. R. Gupte, Shri P. N. Kapadia, Smt. Latika P. Pradhan, Shri. Gautam G. Chakravarti, and Shri Sujal A. Shah, , submitted their declaration of independence and the same has been taken on record by the Board of Directors of the Company at their meeting held on May 5, 2017.

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

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

**A. Criteria for appointing a Director:**

- 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 (g), 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:**

- a. He should have the required educational qualification, skills and functional knowledge for the post and eye for detailing & compliance
- b. He should have integrity, humility, positive thinking, leadership qualities, sincerity, alert, hardworking, team building ability, good soft skills, transparency in dealings with the Company and other stakeholders.
- c. Screening of the potential conflicts of interest and independence.
- d. Detailed background information in relation to a potential candidate should be provided to all directors.
- e. The identification of potential candidates may be assisted by the use of external search organizations as may be considered appropriate.

**C. Policy on Remuneration:**

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

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

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

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

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

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

- i. The Remuneration and terms of employments shall be fixed/ recommended in such a manner that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- ii. The remuneration shall involve a good balance between fixed and incentive pay (considering industry benchmark/ practice) reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- iii. No director or executive should be directly involved in determining their own remuneration or performance evaluation.
- iv. The Executive Director, Whole time Director/ Managing Director and/or Senior Management Employee shall be eligible for advances/loans as per prevalent HR Policy of the Company subject to the applicable statutory provisions and approvals.

**3. Non-Executive Directors:**

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

- i. Sitting fees shall be within the limits prescribed under the Companies Act, 2013 and rules framed thereunder for attending meetings of the Board and Committee thereof.
- ii. Commission up to 1% of net profit as may be decided by the Board subject to required approvals of shareholders
- iii. The level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.

**(F) Comments on the Auditors Report:**

The Audit Report on the financial statements for the year ended on 31st March, 2017 and observations/comments/ remarks etc. made by statutory auditors of the Company read with the Notes to Financial Statements, are self-explanatory and hence does not require any further comments/clarification by the Board of Directors of the Company.

**(G) Particulars of Loans, Guarantees or Investments under Section 186:**

The Company has invested in 28,450 equity shares of ₹100/- each of The Janata Sahakari Bank Ltd., Pune at face value, as a condition precedent to avail the loans from the Bank. The Company has purchased 29,71,450 equity shares of ₹10 each of NOCIL Limited at ₹55.74 per share (at the market price at the stock exchange) pursuant to the interse restructuring of shareholding and management amongst the promoters as referred to in the Directors Report.

During the year 2016-17 the Company has not granted any loan or provided any guarantee or security for any loan .

**(H) Material changes affecting financial position:**

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

**(I) Development and implementation of Risk Management Policy:**

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

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

The Board of Directors of the Company has framed CSR Policy for the Company as per the recommendation of CSR Committee of the Board. The Company has fulfilled its CSR obligation for the financial year 2016-17 in conformity with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder, the further prescribed details are mentioned under other para of this annexure.

**(K) Composition of Audit Committee:**

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

**(L) Vigil Mechanism:**

The Board has framed a Whistle Blower Policy/ Vigil Mechanism which is in line with the provisions of Section 178 of the Companies Act, 2013 read with the provisions of SEBI (LODR) Regulations, 2015. Further details in respect of the vigil mechanism is provided in the corporate governance report which is annexed to this Directors Report.

**(M) Other Disclosures:**

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

The relevant information is provided in Note No. 34.2 in the Notes to the Consolidated Financial Statements.

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

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

Shri Priyavrata H. Mafatlal, a relative (son) of Shri Hrishikesh A. Mafatlal, Chairman of the Company has been holding office or place of profit as General Manager- Marketing & Sales of the Company upto 31<sup>st</sup> October, 2016, in the salary scale of ₹50,000- 15,000- 1,25,000 with other allowances, benefits and perquisites etc., as applicable to the employees in the Management Cadre Grade-I, of the Company with effect from 1st January, 2011 and from 6th April, 2011 as per the appointment earlier approved by shareholders under Section 314(1)(b) of the Companies Act, 1956. However, his overall remuneration do not exceed the limit of ₹2.5 lakhs per month which is in conformity with the provisions of Section 188 of the Companies Act, 2013. The Board of Directors of the Company at their meeting held on 25<sup>th</sup> October, 2016 appointed Shri Priyavrata H. Mafatlal as Executive Director (Whole Time Director) for a period of five years w.e.f. 1<sup>st</sup> November, 2016 subject to the approval of the shareholders at ensuing annual general meeting

**3. Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earning & Out go :****(1) CONSERVATION OF ENERGY :****(A) ENERGY CONSERVATION MEASURES TAKEN :**

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

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

- I) Installation of new machines for better Process Performance and low specific energy consumption.
  - High Speed Tsudokoma Air Jet looms.
  - High Speed IEMA Air Jet Looms
  - IEMA Rapier Looms
  - Yarn Steaming Machine Make:Sieger.
  - Osthof Seinging Machine
  - Conversion of Stenters from PNG to Oil.
- II) Installation of new latest technology machines for better Process performance and low specific energy consumption.
  - a) Ingersoll Rand Centrifugal Air compressor and ELGI Screw Air compressor
  - b) Advance make energy efficient Cooling tower
  - c) Puriflair make Air dryers
  - d) Thermax make VTIF 20 Thermic Heater
  - e) Luwa Humidification systems with Automation
  - f) Water softening plant

- g) Zimmer 12 Color Rotary Printing m/c
- h) Texfab Print washer
- i) Inspiron make Motex Stenter m/c with Heat recovery system
- j) FIMAT Screen coating m/c
- k) CST Laser Rotary Engraving mc
- l) Konica Minolta Digital printing m/c
- m) Biancalani Aero 24
- n) Roving stop motion
- o) Embee Printing mc

#### **Investments Proposals for 2017-18**

- 1 Installation of New attachment to reduce energy consumption.
  - a. Optipneumatex Unit on 4 nos of New LMW Ring Frame
  - b. VFD with Pressure Transducer control on Auto Conner Model 238
- 2 Installation of New Energy efficient Screw Air Compressors at New Unit

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

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

**IV) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION :**

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

FORM-A	Current Year 2016-17	Previous Year 2015-16
<b>A. POWER AND FUEL CONSUMPTION</b>		
<b>1 Electricity:</b>		
a) Purchased: Units Lakhs KWH	633.94	681.50
Total Cost (Lakhs ₹)	5012.25	5461.82
Rate / KWH	7.91	8.01
b) Own Generation:		
i) Through Diesel Generator:		
Units Lakhs KWH	0.01	0.02
Unit per litre of diesel oil (KWH)	2.79	1.48
Cost/Unit (Only Diesel) (₹)	22.40	34.12
ii) Through Gas Generator		
Units Lakhs KWH (Exp.Units)	4.14	7.57
Cost/Unit (Only Natural Gas)(₹)	8.85	12.87
iii) Through Steam Turbine/Generator		
Units Lakhs KWH (Exp.Units)	265.79	220.56
Cost/Unit (Only Coal /Lignite/Baggas (₹)	3.03	3.26
<b>2 Coal / Lignite : (Specify quality and where used)</b>		
Steam Coal and Lignite used for Steam Genration in Boilers for Departmental use.		
Quantity (Tonnes)	75541	72078
Total Cost (₹Lakhs)	3428.64	2809.92
Average Rate / Tonne (₹)	4538.81	3898.43
<b>3 Furnace Oil:</b>		
Quantity ( KLtrs.)	-	-
Total Amount (₹ in Lakhs)	-	-
Average Rate (₹/Ltr.)	-	-
<b>4 Others/Internal Generation:</b>		
Steam Coal and Lignite used for Heating Oil of Thermic Fluid Heater(TFH) for Stenter Heating.		
Quantity (Tonnes)	-	-
Total Cost (₹Lakhs)	-	-
Average Rate / Tonne (₹)	-	-

FORM B	Current Year 2016-17	Previous Year 2015-16
<b>B. Consumption Per Unit of Production:</b>		
<b>1 Electricity :</b>		
Purchased and Generation		
KWH/Metre of Grey Production*	1.66	1.81
KWH/Metre of Wet Production	0.33	0.26
Chemicals	-	-
<b>2 Furnace Oil:</b>		
Litre/KWH of Grey Production	-	-
KWH/Metre of Wet Production		
<b>3 Coal / Lignite : (Specify quality - Steam Coal)</b>		
Kgs. of Coal/Metre of Grey Production	0.21	0.18
Kgs. of Coal Metre of Wet Production (Finished Production)	0.89	0.93
<b>4 Others</b>	N.A	N.A

## (2) TECHNOLOGY ABSORPTION:

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

### FORM - B

#### A) RESEARCH AND DEVELOPMENT :

##### 1. Specific areas in which R. & D. carried out by the Company :

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

##### 2. Benefit derived as a result of the above R. & D. :

1. Technology up-gradation, quality improvement, value engineering, pollution control, energy conservation, increase productivity & efficiency, de-risking the business, Organization brand building, longer business projections, Profitable and Competitive business, and strengthening Sustainability.

##### 3. Future Plan of Action :

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

##### EXPENDING ON R. & D. :

Details	Current Year 2016-17 (₹in Lakhs)	Previous Year 2015-16 (₹in Lakhs)
(a) Capital Expenditure	-	-
(b) Recurring Expenditure	85.11	77.56
(c) Total	85.11	77.56
(d) Total R. & D. Expenditure as a percentage of total turnover	0.07%	0.06%

#### B) TECHNOLOGY ABSORPTION AND INNOVATION:

##### 1. Efforts in brief made towards technology absorption, adaptation and innovation :

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



**2. Benefits derived as a result of the above efforts :**

1. Increased productivity and quality.
2. Created hygiene in the operations and improved quality.
3. Competitive product created for business profitability and de-risking.
4. Energy conservation in operations.
5. Organization brand building.

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

- |   |   |
|---|---|
| (a) Technology Imported :   | Auto titrators in dyeing, 96 New Looms in weaving and Lafer Brushing machine in processing. |
| (b) Year of Import :  | 2015, 2016  |
| (c) Has technology been fully absorbed :  | Yes   |
| (d) If not fully absorbed, not taken place, reasons therefore and future plans of action. : | N.A.  |

**III. FOREIGN EXCHANGE EARNING AND OUTGO:****(A) Activity relating to exports initiatives taken to increase exports, development of new export markets for products and services and export plans:**

The efforts are on to enter into new markets of the Middle East, Europe, Africa and the US. The Company has been successful to some extent in increasing the export of processed fabrics to those countries.

**(B) Total Foreign Exchange used and earned:**

(₹ in Lakhs)

	Current Year 2016-17	Previous Year 2015-16
Total Foreign Exchange used	5706.14	3568.24
Total Foreign Exchange earned	15721.30	13155.67

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

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

**Board:**

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

**Committees of the Board:**

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

**Individual Directors:**

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

**(b) Non-Independent Directors:** The performance of each of the non-independent directors was evaluated by the Independent Directors at their separate meeting held on 23<sup>rd</sup> March, 2017 wherein all the Independent Directors were present. Further, the performance of all Non Independent Directors was also evaluated by the Board of Directors. The various criteria considered for the purpose of evaluation included leadership, engagement, transparency, analysis, decision making, functional knowledge, governance and interest of stakeholders. The Board was of the unanimous view that each of the non-independent directors was providing good business and people leadership.

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

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

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

**i. Ratio of remuneration of each Director to the median remuneration of the employees of the company for the financial year 2016-17:**

Sr. No.	Director	Remuneration (₹ in Lakhs)	Ratio *
1	Shri H. A. Mafatlal, Chairman	1.75	0.66:1
2	Shri A K Srivastava	3.85	1.45:1
3	Shri V. R. Gupte	4.57	1.73:1
4	Shri P. N. Kapadia	5.25	1.98:1
5	Smt. Latika Pradhan	4.22	1.59:1
6	Shri Gautam Chakravarti	4.92	1.86:1
7	Shri Sujal Shah	5.27	2:1
8	Shri Aniruddha P. Deshmukh, Managing Director & CEO	228.84	86:1
9	Shri P H Mafatlal (w.e.f. 1.11.2016)	27.56	10:1
10	Shri P. R. Amin (upto 11.08.2016)	2.45	0.9:1
11	Shri V. P. Mafatlal, Whole Time Director(upto 19.08.2016)	149.86	57:1

1. The ratio is considered only for Executive Directors (ED) comparing the median remuneration of management employees of ₹2.64 lakhs (₹2.52 lakhs in previous year) with the remuneration of EDs. The Non-Executive Directors were only paid fees for attending Board & Committee meetings for the year 2016-17.

**ii. Percentage increase in remuneration of each Director, CFO, CEO, Company Secretary in the financial year 2016-17:**

The remuneration increase given to MD & CEO was 10%, CFO was 10% and CS was 12%. There is no increase in remuneration of other executive or non-executive directors

**iii. Percentage increase in median remuneration of employees in the financial year: 5 % (8% in previous year)**

**iv. The number of permanent employees on the rolls of the company: 2808 (excluding badli workers) (1272-- (badli workers) last year 3604**

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

Average increase in the salaries of employees is 7% (8% in previous year). There is no exceptional increase in the managerial remuneration.

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

None. Except that Whole-time Directors are entitled for a commission of 1% on the net profit of the Company calculated in the manner prescribed under the Companies Act, 2013 which has not been paid since the managerial remuneration exceeded the limits under Section 197 of the said Act.

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

(Note: Remuneration includes salary, allowances, perquisites, contribution to PF, Superannuation fund, leave encashment and 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, name of the Director)

(a) Deshmukh Aniruddha, MD & CEO, 22883223, contractual, Mechanical Engineer from NIIT, Nagpur, Post-Graduation in Business Administration from IIM, Calcutta, 33 years of diverse experience, 13.08.2015, 59 years, Raymonds Ltd., Nil, No. (b) Mafatlal Vishad, Executive Vice-Chairman (upto 19.08.2016), 14986079, contractual, Bachelor of Science in Economics from the Wharton School, USA, 22 years in different industries, 28.05.2013 (due to amalgamation), 42 years, Mafatlal Denim Limited, 12,12,316 equity shares of ₹10/- each, 8.71%, yes, he is nephew of Shri H. A. Mafatlal, Chairman of the Company. (c) Maheshwari V. K., President & Business Head (Textiles), 12733005, Bachelor of Textiles (Hons), 31 years, 01.06.2014, 53 years, Morarjee Textiles Ltd., Nil, No. (d) Raghunath M. B., President & Business Head (MSD), 13850927, contractual, Degree in Physics, MBA- Mktg from NMMIS-Mumbai, 31 years of experience, 01.04.1995, 52 years, Berger Paints, Nil, no. (e) Shah, Milan, CFO (w.e.f.19.09.2015), 17266172, contractual, B.Com, FCA, CS, 32 years of experience, 58 years, Arvind Limited, Nil, No.

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

Jhawar Srigopal, President & Business Head (Denim) upto 31/03/2017, 15328171, contractual, MBA, 21 years of experience, 53 years, Bhaskar Denim Ltd., Nil, No.

- ix. **Details of the employees employed for the full year or part of the year was receipt of remuneration in that year which in the aggregate or as the case may be at a rate which in the aggregate, is in excess of that drawn by the managing director or whole time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company:**

None

## 6. CSR REPORT 2016-17:

### 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 [http://www.mafatlals.com/uploads/8/3/1/2/8312181/corporate\\_social\\_responsibility\\_policy.pdf](http://www.mafatlals.com/uploads/8/3/1/2/8312181/corporate_social_responsibility_policy.pdf)

### B. Composition of CSR Committee:

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

### C. Calculation of CSR Obligation based on the Average Profit of the Company for last three financial years in accordance with the provisions of Section 198 of the Companies Act, 2013:

Year	Net Profit Under Sec.198 of the Companies Act, 2013 (₹ in Lakhs)
2015-16	1972.52
2014-15	328.52
2013-14	1530.61
A. Total Net Profit for three years (A)	3831.65
B. Average Net Profit (A/3)	1277.21
C. 2% of average Net Profits (to be spent on CSR of (B))	25.54

**i. Manner in which the amount spent during the financial year 2016-17:**

The CSR Activities on which the Company has spent are within the purview of Schedule VII to the Companies Act, 2013

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise  (₹ in lakhs)	Amount spent on the projects or programs Subheads (1) Direct Expenditure on projects or programs (2) Overheads  (₹ in lakhs)	Cumulative expenditure up to the reporting period  (₹ in lakhs)	Amount spent Direct or through implementing Agency
1	Olympic Gold Quest towards the Programme named "Foundation for Promotion for Sports and Games"	Promotion of Sports and Games	Mumbai	10.00	10.00	10.00	Olympic Gold Quest
2	Sanitation Project- Construction of Toilets (six) for underprivileged in rural area near Nadiad, Gujarat	Sanitation	Nadiad, Gujarat	3.84	0.96	0.96	Self by Company's Nadiad Unit team
3	Medical Camps in and around surrounding villages of Nadiad Plant in Gujarat	Healthcare	Nadiad, Gujarat	0.60	0.20	0.20	Self by Company's Nadiad Unit team
4	Construction of Class Rooms by Suryoday Trust	Education	Maharashtra	5.00	5.00	5.00	Suryoday Trust
5	Construction of rooms at School and Hostel in Vapi-Valsad by Manovikas Charitable Trust	Education	Vapi-Valsad, Gujarat	6.00	6.00	6.00	Manovikas Charitable Trust
6.	Health care- Medical camps/ Medical Relief work	Health care	Thane, Maharashtra	3.50	3.50	3.50	Sri Chaitanya SevaTrust through Sri Bhakti Vedanta Hospital
<b>Total</b>						<b>25.66</b>	

**ii. The Company has fulfilled its CSR obligation for the year 2016-17.**
**iii. Responsibility Statement of CSR Committee:**

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

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

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

Place: Mumbai  
Date: 5<sup>th</sup> May, 2017

**Annexure IV to Directors' Report****SECRETARIAL AUDIT REPORT****Form No. MR-3****FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2017**

*[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**

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company 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. I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31.3.2017** 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company ("the Company") for the financial year ended on **31.3.2017** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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 there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

I 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 provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015
- (iii) Secretarial Standards Issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- As a part of an agreement executed amongst the Promoters, their family members, family trusts and companies including the three listed entities of Arvind Mafatlal Group and approved by the Board of Directors of the Company on 6<sup>th</sup> August, 2016, the Company has divested a part of its shareholding in Navin Fluorine International Limited and purchased shareholding in NOCIL Limited in compliance with the applicable laws rules and regulations.
- SEBI has vide its interim order dated 22nd March, 2016 advised all the Companies who are clients of Sharepro Services (the then Registrar & Share Transfer Agent of the Company) to carry out/ switchover their activities related to a Registrar to an Issue and Share Transfer Agent, either in house or through another Registrar to an Issue or Share Transfer Agent registered with SEBI. Accordingly, the Company has w.e.f. 21<sup>st</sup> May, 2016 appointed M/s Karvy Computershare Private Limited having their corporate headquarters at Hyderabad and branch offices in many places in India including at Mumbai and Ahmedabad, as a Registrars & Share Transfer Agent w.e.f. 21<sup>st</sup> May, 2016 who are currently servicing the shareholders of the Company as per applicable laws.

**I further report that –**

- **The provisions of SEBI (ICDR) Regulations, 2009, SEBI (ESOP and ESPS) Guidelines, SEBI (Delisting of shares) Regulations and SEBI (Buyback of Securities) Regulations were not applicable to the Company.**
- The 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. During the period under review
- Shri Praful R Amin, an Independent Director of the Company has opted to retire after very long association with the Company accordingly ceased to be a director w.e.f. 11<sup>th</sup> August, 2016 at the close of the working hours.
- Shri Vishad P. Mafatlal, Executive Vice Chairman (whole time director), has resigned as a director of the Company w.e.f. 19<sup>th</sup> August, 2016.

- Shri Priyavrata H. Mafatlal has been appointed as an Additional Director on the Board w.e.f. 1<sup>st</sup> November, 2016
- Shri Hrishikesh A. Mafatlal as Executive Chairman of the Company and Shri Priyavrata H. Mafatlal as Executive Director (whole time director) of the Company are appointed for a period of 5 Years w.e.f. 1<sup>st</sup> November, 2016 subject to the approval of the shareholders of the Company.
- Requisite notices have been 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 in conformity with the applicable laws including Rules & Regulations.

During the period, all the decisions in the Board Meetings were carried out unanimously.

I have relied on the information made available to me alongwith the representations made by the Company, its officers and Reports of the Statutory Auditor for system and mechanism framed by the Company for compliances under other Acts , Laws and Regulations applicable to the Company as listed in Annexure I.

**I 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.(As mentioned above and listed in Annexure I)

**I further report that** during the audit period, there were no specific event/action having a major bearing on the Company's Affairs.

Place : AHMEDABAD  
Date : 28/04/2017

**MANUPRASAD PATEL**  
FCS ; 2588 C P No.:6357

## ANNEXURE I

Laws applicable to the Company being Textile Industries:

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

And also the following laws with its regulations:

- (i) Employees Provident Fund and Miscellaneous Provisions Act, 1952
- (ii) Employees State Insurance Act, 1948
- (iii) Employers Liability Act, 1938
- (iv) Environment Protection Act, 1986 and other environmental laws
- (v) Equal Remuneration Act, 1976
- (vi) Factories Act, 1948(vii) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rules, 2003
- (viii) Indian Contract Act, 1872
- (ix) Income Tax Act, 1961 and Indirect Tax Laws
- (x) Central Excise and Sault Act
- (xi) Indian Stamp Act, 1899
- (xii) Industrial Dispute Act, 1947
- (xiii) Maternity Benefit Act, 1961
- (xiv) Minimum Wages Act, 1948
- (xv) Negotiable Instrument Act, 1881
- (xvi) Payment of Bonus Act, 1965
- (xvii) Payment of Gratuity Act, 1972
- (xviii) Payment of Wages Act, 1936 and other applicable Labour laws

**Annexure to Corporate Governance Report  
of Mafatlal Industries Limited  
Declaration regarding Affirmation of Code of Conduct**

In terms of the requirement of Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all members of the Board and the senior management personnel have affirmed compliance with Code of Conduct for the year ended 31<sup>st</sup> March, 2017.

For and on behalf of the Board,

Sd/-

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

Place: Mumbai  
Date: 5<sup>th</sup> May, 2017

For and on behalf of the Board,

Sd/-

**Hrishikesh A. Mafatlal**  
Chairman  
(DIN:00009872)

Place: Mumbai  
Date: 5<sup>th</sup> May, 2017

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members of  
Mafatlal Industries Limited

1. This certificate is issued in accordance with the terms of our engagement letter reference no. KGV/2016-17/76 dated 15th October 2016.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Mafatlal Industries Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
9. 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 Deloitte Haskins & Sells  
Chartered Accountants  
(Firm's Registration No.117364W)

Sd/-

**Ketan Vora**  
Partner

(Membership No. 100459)

Place: Mumbai  
Dated: 5<sup>th</sup> May, 2017



## Independent Auditor's Report

### To The Members of Mafatlal Industries Limited

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **MAFATLAL INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branches located at Ahmedabad and Nadiad.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the branch auditors on separate financial information of the branches referred to in the Other Matter paragraph below, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its loss and its cash flows for the year ended on that date.

#### Other Matter

We did not audit the financial information of two branches included in the standalone financial statements of the Company whose financial information reflect total assets of ₹ 31,342.78 lakhs as at 31<sup>st</sup> March, 2017 and total revenues

of ₹ 33,508.94 lakhs for the year ended on that date, as considered in the standalone financial statements. The financial information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid branches, is based solely on the report of such branch auditors.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the branch auditors on the separate financial information of the branches, referred to in the Other Matter paragraph above we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
- d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
- e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its branches and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

h) 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, as amended, 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 standalone financial statements. Also refer Note no. 31.1 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016; and such disclosures are in accordance with the books of accounts maintained by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**

Chartered Accountants

(Firm's Registration Number 117364W)

**(Ketan Vora)**

(Partner)

Place: Mumbai

Date: 5<sup>th</sup> May, 2017

(Membership Number 100459)

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF MAFATLAL INDUSTRIES LIMITED

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

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Mafatlal Industries Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date which includes internal financial controls over financial reporting of the Company’s branches.

### **Management’s Responsibility for Internal Financial Controls**

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. 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 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 Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors of branches located in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors on internal financial controls system over financial reporting of the branches referred to in the Other Matter paragraph below, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, 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.

### Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two branches located in India, is based on the corresponding reports of the branch auditors.

Our opinion is not modified in respect of this matter.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration Number 117364W)

**(Ketan Vora)**

(Partner)

Place: Mumbai  
Date: 5<sup>th</sup> May, 2017

(Membership Number 100459)

## ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF MAFATLAL INDUSTRIES LIMITED

**(Referred to in paragraph 2, under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

(i) In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) With respect to immovable properties of acquired land and buildings that are freehold and leasehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed / lease deed / court orders approving schemes of arrangements / amalgamations provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

- (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
- (b) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.
- (c) There is no overdue amount remaining outstanding as at the year-end.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including

Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty, cess and other material statutory dues applicable to it to the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable. As at the year end, the arrears of Statutory Dues outstanding for a period of more than six months aggregate to ₹ 49.02 lakhs in respect of interest on Employees State Insurance dues, ₹ 3.34 lakhs in respect of Excise Duty and ₹ 297.77 lakhs in respect of interest on water charges.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31<sup>st</sup> March, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in lakhs)
Central Excise Act, 1944	Excise Duty	Assistant Commissioner	2006-07 to 2010-11	1.42
Central Excise Act, 1944	Excise Duty	Commissioner	1989-90 to 2003-04	74.58
Central Excise Act, 1944	Excise Duty	CESTAT	1989-90 to 2003-04	63.44
Central Excise Act, 1944	Excise Duty	High Court	1989-90 to 2003-04	14.99
Central Excise Act, 1944	Excise Duty	Supreme Court	1989-90 to 1999-2000	13.42
Central Excise Act, 1944	Excise Duty	Assistant Commissioner	1989-90 to 2003-04	182.11
Central Excise Act, 1944	Excise Duty	Commissioner (Appeals)	1989-90 to 2003-04	54.92
Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise	2007-08 to 2009-10	2,960.55
Customs Act, 1944	Custom Duty	Joint Director General of Foreign Trade	1989-90 to 1999-00	4.79
Bombay Industrial Relations Act, 1946	Labour Dues	Labour Court	1993 to 2013	608.70
Maharashtra Value Added Tax	Sales Tax	Joint Commissioner of Sales Tax (Appeals) - II	1989-90 to 1999-2000	3.22
Central Sales Tax Act, 1956	Sales Tax	Joint Commissioner of Sales Tax (Appeals) - II	1989-90 to 1999-2000	0.04
Mumbai Municipal Corporation Act, 1988	Property Tax [Refer Note No. 31.1(a) (viii)]	Assessor and Collector (City), Assessment and Collection Department	2000-05, 2004-07, 2008-10	3,489.44
Income Tax Act, 1961	Income Tax	Dy. Commissioner of Income Tax	Assessment Year 2012-13	9.48
Income Tax Act, 1961	Income Tax	ITAT	Assessment Years 2003-04, 2004-05, 2006-07, 2007-08	501.61
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax	Assessment Years 1997-98, 1998-99, 2002-03, 2003-04, 2006-07, 2009-10, 2011-12 and 2012-13	1,925.44
Service Tax Rules	Service Tax	CESTAT, Ahmedabad	1997-99	0.70

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.



- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in excess of the limits and approvals prescribed under section 197 read with Schedule V to the Companies Act, 2013 to the following managerial personnel:

Managerial Position	Excess amount of remuneration paid/ provided (₹ in lakhs)	Financial year ending	Treatment of the excess remuneration in the respective year financial statements	Steps taken by the Company for securing refund
Managing Director	228.84	31 <sup>st</sup> March, 2017	Charged to the Statement of Profit and Loss	Special Resolution will be passed at the ensuing Annual General Meeting.
Executive Director	27.56	31 <sup>st</sup> March, 2017	Charged to the Statement of Profit and Loss	Special Resolution will be passed at the ensuing Annual General Meeting.
Director	149.86	31 <sup>st</sup> March, 2017	Charged to the Statement of Profit and Loss	Special Resolution will be passed at the ensuing Annual General Meeting.

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration Number 117364W)

Place: Mumbai  
Date: 5<sup>th</sup> May, 2017

**(Ketan Vora)**  
(Partner)  
(Membership Number 100459)

# Balance Sheet as at 31<sup>st</sup> March, 2017

(₹ in lakhs)

	Note No.	As at 31st March, 2017	As at 31st March, 2016
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	1,391.22	1,391.22
(b) Reserves and surplus	4	36,149.33	36,363.86
		<b>37,540.55</b>	<b>37,755.08</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	5	9,779.65	6,588.56
(b) Deferred tax liabilities (net)	6	-	477.17
(c) Other long-term liabilities	7	356.09	358.91
(d) Long-term provisions	8	452.65	479.43
		<b>10,588.39</b>	<b>7,904.07</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	9	10,972.16	14,223.49
(b) Trade payables:	10		
Total outstanding dues of micro enterprises and small enterprises		30.08	83.11
Total outstanding dues of creditors other than micro enterprises and small enterprises		25,755.25	27,227.26
(c) Other current liabilities	11	7,894.58	4,570.67
(d) Short-term provisions	12	1,115.56	1,523.23
		<b>45,767.63</b>	<b>47,627.76</b>
<b>Total</b>		<b>93,896.57</b>	<b>93,286.91</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	13(a)	28,881.90	21,271.99
(ii) Intangible assets	13(b)	62.07	68.69
(iii) Capital work-in-progress		773.05	915.90
		<b>29,717.02</b>	<b>22,256.58</b>
(b) Non-current investments	14	5,801.72	4,794.09
(c) Long-term loans and advances	15	5,083.04	6,341.17
(d) Other non-current assets	16	736.05	678.30
		<b>41,337.83</b>	<b>34,070.14</b>
<b>2 Current assets</b>			
(a) Current Investments	17	419.57	-
(b) Inventories	18	18,073.90	15,310.38
(c) Trade receivables	19	28,076.40	31,196.43
(d) Cash and bank balances	20	1,687.37	9,946.82
(e) Short-term loans and advances	21	4,100.43	2,311.76
(f) Other current assets	22	201.07	451.38
		<b>52,558.74</b>	<b>59,216.77</b>
<b>Total</b>		<b>93,896.57</b>	<b>93,286.91</b>
Significant accounting policies	2		
See accompanying notes forming part of the financial statements			

In terms of our report attached.

For DELOITTE HASKINS &amp; SELLS

Chartered Accountants

Registration No. 117364W

For and on behalf of the Board of Directors

H. A. Mafatlal

Chairman  
(DIN:00009872)

P. H. Mafatlal

Executive Director  
(DIN:02433237)

Ashish A. Karanji

Company Secretary

Aniruddha P. Deshmukh

Managing Director &  
Chief Executive Officer  
(DIN:01389267)

Milan P. Shah

Chief Financial Officer

Directors

V. R. Gupta

A. K. Srivastava

P. N. Kapadia

G. G. Charkravarti

S. A. Shah

L.P. Pradhan

DIN

(DIN:00011330)

(DIN:00046776)

(DIN:00078673)

(DIN:00004399)

(DIN:00058019)

(DIN:07118801)

(KETAN VORA)

Partner

Membership No. 100459

Mumbai, Dated : 5th May, 2017

Mumbai, Dated : 5th May, 2017



**Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2017**

(₹ in lakhs)

	Note no.	Current year	Previous year
<b>1 Revenue from operations</b>	23	<b>127,022.28</b>	132,308.74
<b>2 Other income</b>	24	<b>1,046.11</b>	2,157.19
<b>3 Total revenue (1 + 2)</b>		<b>128,068.39</b>	<b>134,465.93</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	25(a)	<b>37,181.00</b>	29,985.25
(b) Purchases of stock-in-trade (Trading Activity)	25(b)	<b>47,528.75</b>	58,872.11
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25(c)	<b>(2,705.50)</b>	(2,413.05)
(d) Employee benefits expense (Net)	26	<b>12,779.51</b>	12,159.64
(e) Finance costs (Net)	27	<b>2,620.14</b>	2,116.12
(f) Depreciation and amortization expense	28	<b>2,705.59</b>	2,119.18
(g) Other expenses (Net)	29	<b>29,520.54</b>	29,742.80
<b>Total expenses</b>		<b>129,630.03</b>	<b>132,582.05</b>
<b>5 Profit/(Loss) before exceptional items and tax (3 - 4)</b>		<b>(1,561.64)</b>	1,883.88
<b>6 Exceptional items</b>	30	<b>869.94</b>	-
		<b>869.94</b>	-
<b>7 Profit/(Loss) before tax (5+6)</b>		<b>(691.70)</b>	1,883.88
<b>8 Tax (expense) / benefit :</b>			
(a) Current tax		-	(360.00)
(b) MAT credit entitlement		-	360.00
(c) Net Current tax credit / (expense) (a+b)		-	-
(d) Deferred tax credit / (charge)		<b>477.17</b>	(171.50)
<b>Net tax (expense) (c+d)</b>		<b>477.17</b>	<b>(171.50)</b>
<b>9 Profit/(Loss) for the year (7+8)</b>		<b>(214.53)</b>	1,712.38
<b>10 Earnings/(Loss) per share (on face value of ₹10/- each) - (Refer Note no. 32.2)</b>			
(a) Basic		<b>(1.54)</b>	12.31
(b) Diluted		<b>(1.54)</b>	12.31
Significant accounting policies	2		
See accompanying notes forming part of the financial statements			

In terms of our report attached.  
**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Registration No. 117364W

**(KETAN VORA)**  
**Partner**  
Membership No. 100459

Mumbai, Dated : 5th May, 2017

**For and on behalf of the Board of Directors**

**H. A. Mafatlal**  
Chairman  
(DIN:00009872)

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

**Ashish A. Karanji**  
Company Secretary

**Aniruddha P. Deshmukh**  
Managing Director &  
Chief Executive Officer  
(DIN:01389267)

**Milan P. Shah**  
Chief Financial Officer

**Directors**  
**V. R. Gupte**  
**A. K. Srivastava**  
**P. N. Kapadia**  
**G. G. Charkravarti**  
**S. A. Shah**  
**L.P. Pradhan**

**DIN**  
(DIN:00011330)  
(DIN:00046776)  
(DIN:00078673)  
(DIN:00004399)  
(DIN:00058019)  
(DIN:07118801)

Mumbai, Dated : 5th May, 2017

## Cash Flow Statement for the year ended 31st March, 2017

₹ in Lakhs

	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>A. Cash flow from operating activities</b>		
Net Profit after exceptional items and before tax as per the Statement of Profit and Loss	(691.70)	1,883.88
Adjustments for,		
Depreciation and amortization expense	2,705.59	2,119.18
Finance costs on Borrowings	2,676.92	2,162.26
Finance costs on Borrowings TUF Income	(285.62)	-262.73
Finance Cost on other than Borrowings	228.84	216.59
Interest income	(332.03)	(963.78)
Dividend income	(326.99)	(272.72)
Rental Income on Investment Properties	(477.04)	(467.49)
Profit on sale of long term Investments other than Investment Properties	(1,337.09)	-
Net Loss / Gain on sale of fixed assets including sold/scrapped / written off	(119.30)	(364.06)
Liabilities / Provisions no longer required	(41.98)	(43.81)
Bad trade and other receivables/ Loans and advances written off (net)	55.24	20.25
Provision for doubtful debts/ advances	69.52	18.46
Net unrealised exchange loss /(gain)	43.12	5.64
<b>Operating profit before working capital changes</b>	<b>2,167.48</b>	<b>4,051.67</b>
<i>Changes in working capital</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(2,763.52)	(3,075.29)
Trade receivables	2,987.30	(11,312.81)
Short term Loans and advances	(1,788.67)	(769.26)
Long term loans and advances	1,585.29	(27.67)
Other Current Assets	250.31	(34.83)
Other Non Current Assets	(57.75)	(35.69)
<i>Adjustments for increase / ( decrease ) in operating liabilities:</i>		
Short Term Provisions	120.41	(50.22)
Long Term Provisions	(26.78)	(35.23)
Interest accrued and due on other than borrowings	(373.06)	(167.58)
Other Current Liabilities	1,624.80	(7.57)
Other Long Term Liabilities	(2.82)	81.98
Trade and other payables	(1,518.22)	8,212.80
	37.29	(7,221.37)
Cash generated from Operations	2,204.77	(3,169.70)
Net income tax (paid) / refunds	(352.88)	(366.12)
	<b>1,851.89</b>	<b>(3,535.82)</b>

**Cash Flow Statement for the year ended 31st March, 2017**

₹ in Lakhs

	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>B. Cash flow from investing activities</b>		
Purchase of Fixed Assets and Capital Work in Progress (including Capital Advances)	(10,215.50)	(4,735.34)
Proceeds from sale/disposal of Fixed Assets	168.77	556.34
Purchase of Non Current Investments-Other than Investment Property	(1,427.20)	(9.00)
Dividend income from long term investments	326.99	272.72
Rental Income on Investment Properties	477.04	467.49
Interest Income	332.03	963.78
Other Bank balances not considered as Cash and Cash Equivalents	8,435.96	306.41
Sale of Non Current Investments - Other than Investment Properties	1,337.09	77
<b>Net cash (used in) investing activities</b>	<b>(564.82)</b>	<b>(2,100.60)</b>
<b>C. Cash flow from financing activities</b>		
Finance Costs	(2,576.89)	(2,064.09)
Proceeds from Short Term Borrowings	(3,251.33)	7,011.24
Proceeds / Repayments from Long Term Borrowings	5,220.02	706.44
Dividend Paid	(417.39)	(417.39)
Tax on Dividend	(84.97)	(70.94)
<b>Net cash generated from / (used in) financing activities</b>	<b>(1,110.56)</b>	<b>5,165.26</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>176.51</b>	<b>(471.16)</b>
Cash and cash equivalents at the beginning of the year	574.31	1,045.47
<b>Cash and cash equivalents at the end of the year ( Note no. 19 )</b>	<b>750.82</b>	<b>574.31</b>
<b>See accompanying notes forming part of the financial statements</b>		

In terms of our report attached.  
**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Registration No. 117364W

**(KETAN VORA)**  
**Partner**  
Membership No. 100459

Mumbai, Dated : 5th May, 2017

**For and on behalf of the Board of Directors**

**H. A. Mafatlal**  
Chairman  
(DIN:00009872)

**P. H. Mafatlal**  
Executive Director  
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Managing Director &  
Chief Executive Officer  
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Directors	DIN
<b>V. R. Gupte</b>	(DIN:00011330)
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<b>P. N. Kapadia</b>	(DIN:00078673)
<b>G. G. Charkravarti</b>	(DIN:00004399)
<b>S. A. Shah</b>	(DIN:00058019)
<b>L.P. Pradhan</b>	(DIN:07118801)

Mumbai, Dated : 5th May, 2017

## Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017

### 1. Corporate Information

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

#### a. Basis of accounting and preparation of Financial Statements

The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards prescribed under the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### b. Use of estimates

The preparation and presentation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

#### c. Inventories

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

#### d. Depreciation on tangible fixed assets

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of Plant and Machinery, in whose case the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.

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

#### e. Revenue recognition

Revenue including other income is recognized when no significant uncertainty as to its determination or realization exists.

#### f. Export Benefits

Export Benefits available under prevalent schemes are accrued in the year when the right to receive credit as per the terms of the scheme is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate realization / utilization of such benefits.

#### g. Fixed Assets (Tangible / Intangible)

Fixed assets are recorded at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation, amortization and impairment loss, if any.

#### Capital Work-in-progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

#### h. Foreign currency transactions and translations

Transactions in foreign currency are recorded at the original rates of exchange in force at the time the transactions are effected. At the year-end, monetary items denominated in foreign currency and forward exchange contracts are reported using closing rates

## Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017

of exchange. Exchange differences arising thereon and on realization / payment of foreign exchange are accounted, in the relevant year, as income or expense.

In case of forward exchange contracts, or other financial instruments that are in substance forward exchange contracts, the premium or discount arising at the inception of the contracts is amortized as expense or income over the life of the contracts. Gains / losses on settlement of transactions arising on cancellation / renewal of forward exchange contracts are recognized as income or expense.

### i. Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated where applicable in accordance with the policy stated for fixed assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

### j. Cash flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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.

### k. Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued later. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### l. Employee benefits

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

Liability in respect thereof is determined on the basis of contribution as required to be made under the statutes / rules.

- b. Gratuity liability, a defined benefit scheme, and provision for compensated absences are accrued and provided for on the basis of actuarial valuations made at the year end.

### m. Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

### n. Operating Lease

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognized as Operating Lease. Operating Lease receipts and payments are recognized as income or expense, as the case may be, in the Statement of Profit and Loss on a straight-line basis over the lease term.

## Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017

### o. Taxes on income

Tax expenses comprise both current and deferred tax at the applicable enacted/ substantively enacted rates. Current tax represents the amount of Income tax payable / recoverable in respect of the taxable income / loss for the reporting period.

Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets and Liabilities are measured using the tax rates and tax laws that have been enacted or are substantively enacted by the balance sheet date. In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realize such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

Current and deferred tax relating to items directly recognized in reserves are recognized in reserves and not in the Statement of Profit and Loss.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

### p. Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

### q. Impairment of assets

Impairment loss is provided to the extent the carrying amount of assets exceed their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable willing parties, less the costs of disposal.

### r. Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are not recognised in the financial statements.

### s. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilizing the credits.

### t. 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.

### u. Government grants and subsidies

Grants and subsidies from the Government are recognized when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with.

The grant or subsidy that relates to interest expenses is recognized as income over the periods necessary to match them on a systematic basis to the interest costs, which it is intended to compensate. The grant or subsidy relating to the fixed assets is deducted in arriving at the carrying amount of the related fixed asset.

**Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017****3 SHARE CAPITAL**

	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
<b>(a) Authorised</b>				
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
		10,000.00		10,000.00
<b>(b) Issued</b>				
Equity shares of ₹10/- each with voting rights	13,912,886	1,391.28	13,912,886	1,391.28
<b>(c) Subscribed and fully paid up</b>				
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
<b>Total</b>		1,391.22		1,391.22

**a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:**

	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
<b>(i) Equity shares with voting rights</b>				
Opening balance	13,912,886	1391.28	13,912,886	1391.28
Less: Allotment money/ Calls in arrears	-	0.06	-	0.06
<b>Closing balance</b>	13,912,886	1391.22	13,912,886	1391.22

**b. Terms / rights attached to Equity shares:**

The Company has issued only one class of equity shares having a par value of ₹10/- per share. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

**c. Details of shares held by each shareholder holding more than 5% shares in the Company:**

Equity shares of ₹10/- each fully paid	31st March, 2017		31st March, 2016	
Name	Nos.	% holding	Nos.	% holding
H. A. Mafatlal	3,176,150	22.83	826,803	5.94
NOCIL Limited	1,269,695	9.13	566,320	4.07
Suremi Trading Private Limited	1,189,431	8.55	415,279	2.98
Navin Fluorine International Limited	1,071,332	7.70	1,774,707	12.76
Altamount Products and Services Private Limited	1,064,443	7.65	1,064,443	7.65
Sukarma Investments Private Limited	839,173	6.03	839,173	6.03
Rekha H. Mafatlal	804,283	5.78	804,283	5.78
V. P. Mafatlal	-	-	1,212,316	8.72
Rupal V. Mafatlal	-	-	1,203,465	8.65



## Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017

- d. In terms of Modified Scheme (MS) approved by BIFR in June 2009, 600,00,000 Fully Redeemable Non-Cumulative Preference Shares of ₹ 10/- each were redeemable over a period of eight years as a subordinated liability to the dues of workers, statutory agencies and the secured creditors. Preference shares redeemed by the Company during the period of five years immediately preceding the reporting date:

	Nos.	(₹ in lakhs)
As at 31st March, 2017	60,000,000	6,000.00
As at 31st March, 2016	60,000,000	6,000.00
As at 31st March, 2015	60,000,000	6,000.00
As at 31st March, 2014	60,000,000	6,000.00
As at 31st March, 2013	30,000,000	3,000.00

- e. **Aggregate number of Equity shares issued for consideration other than cash during five years immediately preceding the reporting date:**

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.

- f. **Calls unpaid (by other than officers and directors)**

	As at 31st March, 2017	As at 31st March, 2016
	(₹ in lakhs)	(₹ in lakhs)
Calls Unpaid	0.06	0.06

- g. 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.

## 4 RESERVES AND SURPLUS

	As at 31st March, 2017	As at 31st March, 2016
	(₹ in lakhs)	(₹ in lakhs)
<b>(a) Capital Reserve no. 1</b>		
Opening balance	61.16	61.16
<b>(b) Capital Reserve no. 2</b>		
Opening balance	35.00	35.00
<b>(c) Capital Reserve on Amalgamation</b>		
Opening balance	3,634.48	3,634.48
<b>(d) Capital Redemption Reserve</b>		
Opening balance	8,383.14	8,383.14
<b>(e) Securities Premium Account</b>		
Opening balance	17,452.07	17,452.07
<b>(f) Capital Investment Reserve:</b>		
(Non-taxable excess of sale proceeds over book value)		
Opening balance	75.96	75.96
<b>(g) Investment Reserve:</b>		
(Taken over from erstwhile Mafatlal Gagalbhai and Company Private Limited from 01-04-1972 on amalgamation)		
Opening balance	1.78	1.78
<b>(h) Export Profit Reserve</b>		
(Taken over from erstwhile The Mafatlal Fine Spinning and Manufacturing Co. Ltd. on amalgamation)		
Opening balance	20.00	20.00

**Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017**

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
<b>(i) General Reserve</b>		
Opening balance	620.00	620.00
<b>(j) Surplus in the Statement of Profit and Loss</b>		
Opening balance	6,080.27	4,870.25
Add : Profit for the year	(214.53)	1,712.38
<b>Less: Appropriations</b>		
Dividend proposed to be distributed to equity shareholders	-	(417.39)
[Dividend per Share ₹3/- in the Previous year] (Refer Note no. 31.16)		
Tax on Dividend	-	(84.97)
<b>Total appropriations</b>	-	(502.36)
Closing balance	5,865.74	6,080.27
<b>Total</b>	<b>36,149.33</b>	<b>36,363.86</b>

**5 LONG-TERM BORROWINGS**

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
<b>Term Loans</b>		
From Banks - Secured [Refer Note no.(ii)]	8,558.64	6,070.89
From Banks - Secured - Loans for Vehicles [Refer Note no.(iii)]	84.00	115.83
From Others - Secured [Refer Note no.(iv)]	1,137.01	401.84
<b>Total</b>	<b>9,779.65</b>	<b>6,588.56</b>

- (i) For Current maturities of Long Term Borrowings; Refer Note No.11(a) - Other Current Liabilities.
- (ii) (a) Term loans of ₹ 909.15 lakhs (Previous year ₹ 1,764.15 lakhs) from a bank are repayable in quarterly installments till March 2018. These loans are secured by a pari-passu mortgage / hypothecation charge on certain fixed assets, including leasehold land and hypothecation charge on certain current assets of the Company and pledge by promoters / promoter companies of certain shareholding in the Company. The loans carry interest linked to the lenders' Marginal Cost of funds based Lending Rate (MCLR). The effective rate of interest for the year was in the range of 14.00% to 14.25% p.a. (Previous year 14.25% to 14.90% p.a.).
- (b) Term loan of ₹ 4,440.00 lakhs (Previous year ₹ 536.47 lakhs) from a bank are repayable in quarterly installments beginning from June 2017, till May 2022 after a moratorium period of 15 months. The loan is secured by mortgage / hypothecation charge on certain Fixed Assets and pari-passu second charge on certain current assets of the Company. The loan carry interest linked to the lenders' MCLR. The effective rate of interest for the year was 12.25% p.a. (Previous year 12.25% p.a.).
- (c) Term loan of ₹ 2,208.33 lakhs (Previous year ₹ 2,499.99 lakhs) from a bank is repayable in monthly installments beginning from September, 2016 till August, 2021 after a moratorium period of 24 months. The loan is secured by mortgage / hypothecation charge on certain Fixed Assets and pledge of Equity shares owned by the Company. The loan carry interest linked to the lenders' Prime Lending Rates. The effective rate of interest for the year was in the range of 12.50% to 14.25% p.a. (Previous year: 14.25% to 14.50% p.a.).
- (d) Term loan of ₹ 2,333.59 lakhs (Previous year ₹ 2,457.63 lakhs) from a bank is repayable in monthly installments beginning from December, 2016 till December, 2021 after a moratorium period of 24 months. The loan is secured by mortgage / hypothecation charge on certain Fixed Assets and second charge on certain current assets of the Company. The loan carry interest linked to the lenders' Prime Lending Rates. The effective rate of interest for the year was in the range of 12.25% to 12.50% p.a. (Previous year: 12.50% to 13.50% p.a.).

## Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017

- (e) Term loan of ₹ 1,572.78 lakhs (Previous year ₹ Nil) from a bank are repayable in monthly installments beginning from July 2016, till June 2025. The loan is secured by mortgage / hypothecation charge on certain Fixed Assets and pari-passu second charge on certain current assets of the Company. The loan carry interest linked to the lenders' MCLR. The effective rate of interest for the year was 10.75% p.a. (Previous year N.A.).
- (iii) Loans for Vehicles from Banks is repayable in monthly installments and the same is secured by hypothecation of respective vehicles. 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.).
- (iv) (a) Term loan of ₹ 239.25 lakhs (Previous year ₹ 464.25 lakhs) from a Financial Institution is repayable in quarterly installments till March, 2018. The loan is secured by a pari-passu mortgage / hypothecation charge on the Company's certain Fixed Assets, including leasehold land and hypothecation charge on certain current assets of the Company and pledge by promoters / promoter companies of certain shareholding in the Company. The loan carry an interest linked to the lenders' Prime Lending Rates. The effective rate of interest for the current year was in the range of 12.45% to 12.70% p.a. (Previous year 12.70% to 13.25% p.a.).
- (b) Term loan of ₹ 162.59 lakhs (Previous year Rs 315.50 lakhs) from a Financial Institution is repayable in quarterly installments till March, 2018. The loan is secured by pari-passu hypothecation charge on certain current assets of the Company and pledge by promoters/ promoter companies of certain shareholding in the Company. The loan carries interest @ 12.45% to 12.70% p.a. (Previous year 12.70% to 13.25% p.a.).
- (c) Term loan of ₹ 1,437.01 lakhs (Previous year ₹ Nil) from a Financial Institution is repayable in quarterly installments beginning from June 2017 till March, 2022 after a moratorium period of 12 months. The loan is secured by mortgage / hypothecation charge on certain fixed assets of the Company. The loan carries interest @ 11.75% to 12.00% p.a. (Previous year N.A.).

### 6 DEFERRED TAX LIABILITIES (NET)

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	4,645.81	3,363.86
<b>Tax effect of items constituting deferred tax liability</b>	<b>4,645.81</b>	<b>3,363.86</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for doubtful debts / advances and lease equalisation reserve (net)	60.62	37.67
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	594.46	712.93
Unabsorbed carried forward depreciation	3,990.73	2,136.09
<b>Tax effect of items constituting deferred tax assets</b>	<b>4,645.81</b>	<b>2,886.69</b>
<b>Deferred tax liabilities (net)</b>	<b>-</b>	<b>477.17</b>

### 7 OTHER LONG-TERM LIABILITIES

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
(i) Trade / Security deposits received	183.35	249.85
(ii) Interest accrued on others (Refer Note no. 31.4)	172.74	109.06
<b>Total</b>	<b>356.09</b>	<b>358.91</b>

**Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017****8 LONG-TERM PROVISIONS**

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
<b>Provision for employee benefits</b>		
(i) Provision for Compensated absences (Refer Note no.32.4)	452.65	479.43
<b>Total</b>	<b>452.65</b>	<b>479.43</b>

**9 SHORT-TERM BORROWINGS**

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
<b>Loans repayable on demand</b>		
<b>From Banks</b>		
(i) Secured * - Overdraft facility	-	7,529.39
(ii) Secured ** - Cash credit	10,972.16	6,694.10
<b>Total</b>	<b>10,972.16</b>	<b>14,223.49</b>

\* Secured against Fixed Deposits of ₹Nil, (Previous year: ₹8,354.30 lakhs, last date of maturity 15th March, 2017).

\*\* Cash credit facility are secured by hypothecation of certain stocks and book debts, both present and future, of the Company, second charge on certain Fixed Assets of the Company and pledge of investments held by the Company. The cash credit is repayable on demand and carry an interest @ 12.00% to 14.00% p.a. (Previous year 12.00% to 14.10% p.a.).

**10 TRADE PAYABLES**

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note no. 31.3)	30.08	83.11
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	25,755.25	27,227.26
<b>Total</b>	<b>25,785.33</b>	<b>27,310.37</b>

**11 OTHER CURRENT LIABILITIES**

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
(a) Current maturities of long-term debt (Refer Note No.5 -Long Term Borrowings for details of securities)		
(i) From Banks - Secured	2,905.21	1,187.35
(ii) From Banks - Secured - Loans for Vehicles	35.06	47.92
(iii) From Others - Secured	701.84	377.91
(b) Interest accrued but not due on borrowings	134.87	91.62
(c) Unclaimed dividends	28.69	20.66
(d) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	634.14	611.77
(ii) Interest accrued on other than borrowings	338.63	711.70
(iii) Trade / security deposits received	51.95	48.35
(iv) Advances from customers	1,907.12	365.09
(v) Other advances (Refer Note no. 31.4)	577.89	577.89
(vi) Others (including dues for Voluntary Retirement Scheme, electricity dues, etc.)	482.57	432.40
(vii) Lease rent / utilities equalisation on expense	96.61	98.01
<b>Total</b>	<b>7,894.58</b>	<b>4,570.67</b>

## Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017

### 12 SHORT-TERM PROVISIONS

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
<b>(a) Provision for employee benefits</b>		
(i) Provision for Compensated absences (Refer Note no.32.4)	183.86	139.92
(ii) Provision for Gratuity (Refer Note no. 32.4)	202.91	126.44
	<b>386.77</b>	<b>266.36</b>
<b>(b) Provisions - Others</b>		
(i) Provision for tax (net of advance tax ₹1,671.91 lakhs (As at 31st March, 2016 ₹1,290.75 lakhs))	728.28	754.00
(ii) Provision for Fringe Benefit Tax (net of advance tax ₹39.05 lakhs (As at 31st March, 2016 ₹39.05 lakhs))	0.40	0.40
(iii) Provision for Wealth Tax (net)	0.11	0.11
(iv) Provision for Proposed Equity dividend (Refer Note no. 31.16)	-	417.39
(v) Provision for tax on Proposed dividend (Refer Note no. 31.16)	-	84.97
	<b>728.79</b>	<b>1,256.87</b>
<b>Total</b>	<b>1,115.56</b>	<b>1,523.23</b>

### Note 13a Fixed assets

(₹ in lakhs)

Tangible assets	Gross block							Balance as at 31st March, 2017
	Balance as at 1st April, 2016	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Other adjustments		
<b>(a) Land</b>								
Freehold	21.08	-	-	-	-	-	-	21.08
(Previous year)	(21.08)	-	-	-	-	-	-	(21.08)
Leasehold	0.08	-	-	-	-	-	-	0.08
(Previous year)	(0.08)	-	-	-	-	-	-	(0.08)
	21.16	-	-	-	-	-	-	21.16
(Previous year)	(21.16)	-	-	-	-	-	-	(21.16)
<b>(b) Buildings</b>								
Own use	5,096.86	280.93	53.76	-	-	-	-	5,324.03
(Previous year)	(4,740.22)	(379.37)	(22.73)	-	-	-	-	(5,096.86)
Given under operating lease	63.60	-	-	-	-	-	-	63.60
(Previous year)	(63.60)	-	-	-	-	-	-	(63.60)
	5,160.46	280.93	53.76	-	-	-	-	5,387.63
(Previous year)	(4,803.82)	(379.37)	(22.73)	-	-	-	-	(5,160.46)
<b>(c) Plant and Equipment</b>								
Owned	46,521.01	9,915.28	780.63	-	-	-	-	55,655.66
(Previous year)	(43,371.45)	(6,174.99)	(3,025.43)	-	-	-	-	(46,521.01)
	46,521.01	9,915.28	780.63	-	-	-	-	55,655.66
(Previous year)	(43,371.45)	(6,174.99)	(3,025.43)	-	-	-	-	(46,521.01)

Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017

	Tangible assets	Gross block						Balance as at 31st March, 2017
		Balance as at 1st April, 2016	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Other adjustments	
(d) Furniture and Fixtures								
	Owned	808.85	48.63	34.27	-	-	-	823.21
	(Previous year)	(525.11)	(293.06)	(9.32)	-	-	-	(808.85)
		808.85	48.63	34.27	-	-	-	823.21
	(Previous year)	(525.11)	(293.06)	(9.32)	-	-	-	(808.85)
(e) Vehicles								
	Owned	462.13	14.29	64.42	-	-	-	412.00
	(Previous year)	(428.19)	(121.64)	(87.70)	-	-	-	(462.13)
		462.13	14.29	64.42	-	-	-	412.00
	(Previous year)	(428.19)	(121.64)	(87.70)	-	-	-	(462.13)
(f) Office equipment								
	Owned	781.19	66.68	126.92	-	-	-	720.95
	(Previous year)	(692.31)	(96.62)	(7.74)	-	-	-	(781.19)
		781.19	66.68	126.92	-	-	-	720.95
	(Previous year)	(692.31)	(96.62)	(7.74)	-	-	-	(781.19)
(g) Leasehold improvements								
	Owned	256.82	-	-	-	-	-	256.82
	(Previous year)	(256.82)	-	-	-	-	-	(256.82)
		256.82	-	-	-	-	-	256.82
	(Previous year)	(256.82)	-	-	-	-	-	(256.82)
(h) Railway sidings								
	Owned	2.70	-	-	-	-	-	2.70
	(Previous year)	(2.70)	-	-	-	-	-	(2.70)
		2.70	-	-	-	-	-	2.70
	(Previous year)	(2.70)	-	-	-	-	-	(2.70)
	Total	54,014.32	10,325.81	1,060.00	-	-	-	63,280.13
	(Previous year)	(50,101.56)	(7,065.68)	(3,152.92)	-	-	-	(54,014.32)

## Note 13a Fixed assets (contd.)

(₹ in lakhs)

	Tangible assets	Accumulated depreciation and impairment				Net block		
		Balance as at 1st April, 2016	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31st March,2017	Balance as at 31st March,2017	Balance as at 31st March 2016
(a)	Land							
	Freehold	-	-	-	-	-	21.08	21.08
	(Previous year)	-	-	-	-	-	(21.08)	
	Leasehold	-	-	-	-	-	0.08	0.08
	(Previous year)	-	-	-	-	-	(0.08)	
		-	-	-	-	-	21.16	21.16
	(Previous year)	-	-	-	-	-	(21.16)	-
(b)	Buildings							
	Own use	2,287.61	101.43	53.96	-	2,335.08	2,988.95	2,809.25
	(Previous year)	(2,206.89)	(103.45)	(22.73)	-	(2,287.61)	(2,809.25)	

**Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017**

	Tangible assets	Accumulated depreciation and impairment				Net block		
		Balance as at 1st April, 2016	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31st March, 2017	Balance as at 31st March, 2017	Balance as at 31st March 2016
	Given under operating lease	17.31	1.01	-	-	18.32	45.28	46.29
	(Previous year)	(16.31)	(1.00)	-	-	(17.31)	(46.29)	
		2,304.92	102.44	53.96	-	2,353.40	3,034.23	2,855.54
	(Previous year)	(2,223.20)	(104.45)	(22.73)	-	(2,304.92)	(2,855.54)	-
<b>(c)</b>	<b>Plant and Equipment</b>							
	Owned	29,271.25	2,353.47	764.85	-	30,859.87	24,795.79	17,249.76
	(Previous year)	(30,434.77)	(1,785.55)	(2,949.07)	-	(29,271.25)	(17,249.76)	
		29,271.25	2,353.47	764.85	-	30,859.87	24,795.79	17,249.76
	(Previous year)	(30,434.77)	(1,785.55)	(2,949.07)	-	(29,271.25)	(17,249.76)	-
<b>(d)</b>	<b>Furniture and Fixtures</b>							
	Owned	278.91	63.29	32.23	-	309.97	513.24	529.95
	(Previous year)	(235.54)	(48.31)	(4.95)	-	(278.90)	(529.95)	-
		278.91	63.29	32.23	-	309.97	513.24	529.95
	(Previous year)	(235.54)	(48.31)	(4.95)	-	(278.90)	(529.95)	-
<b>(e)</b>	<b>Vehicles</b>							
	Owned	151.03	51.58	39.49	-	163.12	248.85	311.09
	(Previous year)	(133.99)	(51.87)	(34.82)	-	(151.04)	(311.09)	
		151.03	51.58	39.49	-	163.12	248.88	311.09
	(Previous year)	(133.99)	(51.87)	(34.82)	-	(151.04)	(311.09)	-
<b>(f)</b>	<b>Office equipment</b>							
	Owned	625.83	65.39	120.00	-	571.22	149.73	155.36
	(Previous year)	(570.68)	(61.86)	(6.71)	-	(625.83)	(155.36)	
		625.83	65.39	120.00	-	571.22	149.73	155.36
	(Previous year)	(570.68)	(61.86)	(6.71)	-	(625.83)	(155.36)	-
<b>(g)</b>	<b>Leasehold improvements</b>							
	Owned	107.82	30.26	-	-	138.08	118.74	149.00
	(Previous year)	(77.56)	(30.26)	-	-	(107.82)	(149.00)	
		107.82	30.26	-	-	138.08	118.74	149.00
	(Previous year)	(77.56)	(30.26)	-	-	(107.82)	(149.00)	-
<b>(h)</b>	<b>Railway sidings</b>							
	Owned	2.57	-	-	-	2.57	0.13	0.13
	(Previous year)	(2.57)	-	-	-	(2.57)	(0.13)	
		2.57	-	-	-	2.57	0.13	0.13
	(Previous year)	(2.57)	-	-	-	(2.57)	(0.13)	-
	<b>Total</b>	<b>32,742.33</b>	<b>2,666.43</b>	<b>1,010.53</b>	<b>-</b>	<b>34,398.23</b>	<b>28,881.90</b>	<b>21,271.99</b>
	(Previous year)	(33,678.31)	(2,082.30)	(3,018.28)	-	(32,742.33)	(21,271.99)	

Note:

- 1) Building include ₹12.86 lakhs (Previous year ₹12.86 lakhs) being the cost of ownership premises in a co-operative society, including cost of shares received for the face value of ₹2500/-, under the bye-laws of the society.
- 2) The Company is in process of getting expired leases renewed.



Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017

## Note 13b Fixed assets

(₹ in lakhs)

	Intangible assets	Gross block						Balance as at 31st March, 2017
		Balance as at 1st April, 2016	Additions	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	
(a) Computer software								
Owned		146.94	28.66	-	-	-	-	175.60
(Previous year)		(132.99)	(13.95)	-	-	-	-	(146.94)
<b>Total</b>		<b>146.94</b>	<b>28.66</b>	-	-	-	-	<b>175.60</b>
(Previous year)		(132.99)	(13.95)	-	-	-	-	(146.94)

(₹ in lakhs)

	Intangible assets	Accumulated depreciation and impairment				Net block		
		Balance as at 1st April, 2016	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31st March, 2017	Balance as at 31st March, 2017	Balance as at 31st March, 2016
(a) Computer software								
Owned		78.25	35.28	-	-	113.53	62.07	68.69
(Previous year)		(45.27)	(32.98)	-	-	(78.25)	(68.69)	
<b>Total</b>		<b>78.25</b>	<b>35.28</b>	-	-	<b>113.53</b>	<b>62.07</b>	<b>68.69</b>
(Previous year)		(45.27)	(32.98)	-	-	(78.25)	(68.69)	

## Note 14 NON-CURRENT INVESTMENTS

(₹ in lakhs)

	As at 31 March, 2017				As at 31 March, 2016			
	No. of shares	Quoted	Unquoted	Total	No. of shares	Quoted	Unquoted	Total
<b>Long Term Investments (At cost)</b>								
<b>I Trade</b>								
(a) Investment in equity instruments (Fully paid)								
<b>Associates</b>								
Equity shares of ₹100/- each of Mafatlal Engineering Industries Ltd###	146,364		(1.00)	(1.00)	146,364		(1.00)	(1.00)
(i) <b>Associates</b>		-	-	-	-	-	-	-
<b>Joint Ventures</b>								
Equity shares of AED 1000/- each of Al Fahim Mafatlal Textiles LLC	147		22.73	22.73	147		22.73	22.73
(ii) <b>Joint Ventures</b>		-	22.73	22.73			22.73	22.73
<b>Other entities</b>								
Equity shares of ₹10/- each of Matcon Export Enterprises Ltd.	13,350		(1.00)	(1.00)	13,350		(1.00)	(1.00)
Equity shares of ₹1/- each of Integra Engineering India Ltd	20	(1.00)		(1.00)	20	(1.00)		(1.00)
(iii) <b>Other entities</b>			-	-			-	-
<b>Total Trade Investments-(I)</b>			22.73	22.73			22.73	22.73
<b>II Other Investments</b>								
(a) Investment Properties (Refer Note 1 below)								
Immoveable Property (net of accumulated depreciation)			41.98	41.98			45.86	45.86
(b) Investment in equity instruments (Fully paid)								
<b>Subsidiaries</b>								
Equity shares of ₹100/- each of Mafatlal Services Ltd.	272,800		272.80	272.80	272,800		272.80	272.80
Equity shares of ₹10/- each of Ibiza Industries Limited***	2,616,670		(1.00)	(1.00)	2,616,670		(1.00)	(1.00)
Equity shares of ₹10/- each of Sunanda Industries Ltd. *	3,976,002		(1.00)	(1.00)	3,976,002		(1.00)	(1.00)
(i) <b>Subsidiaries</b>			272.80	272.80			272.80	272.80
<b>Associates</b>								
Equity shares of ₹ 10/-each of Mafatlal Ltd, UK.##	23,700		(1.00)	(1.00)	23,700		(1.00)	(1.00)

**Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017**
**Note 14 NON-CURRENT INVESTMENTS (Contd.)**

(₹ in lakhs)

	As at 31 March, 2017				As at 31 March, 2016			
	No. of shares	Quoted	Unquoted	Total	No. of shares	Quoted	Unquoted	Total
<b>(ii) Associates</b>								
<b>Other entities</b>								
Equity shares of ₹10/- each of Anil Limited (formerly known as Anil Products Limited)	2,320		(1.00)	(1.00)	2,320		(1.00)	(1.00)
Equity shares of ₹10/- each of Anil Bioplus Limited (formerly known as Anil Biochem Limited)	116		(1.00)	(1.00)	116		(1.00)	(1.00)
Equity shares of ₹10/- each of Arlabs Ltd.	100		(1.00)	(1.00)	100		(1.00)	(1.00)
Equity shares of ₹10/- each of Cama Hotels Ltd.	45,000		5.95	5.95	45,000		5.95	5.95
Equity shares of ₹10/- each of Cellulose Products of India Ltd.	15,000		(1.00)	(1.00)	15,000		(1.00)	(1.00)
Equity shares of ₹25/- each of Universal Dyestuff Industries Ltd.	10		(1.00)	(1.00)	10		(1.00)	(1.00)
Equity shares of ₹100/- each of SLM Maneklal Industries Ltd.	5,870		(1.00)	(1.00)	5,870		(1.00)	(1.00)
Equity shares of ₹10/- each of Stanrose Mafatlal Investments and Finance Ltd.	79,920	24.98		24.98	79,920	24.98		24.98
Equity shares of ₹10/- each of Mangal Credit & Fincorp Ltd.	83,700	1.50		1.50	13,950	1.50		1.50
Equity shares of ₹2/- each of Ultramarine and Pigments Ltd.	9,600	0.02		0.02	9,600	0.02		0.02
Equity shares of ₹10/- each of NOCIL Limited \$	26,007,919	5,510.01		5,510.01	23,036,469	3,853.72		3,853.72
Equity shares of ₹10/- each of Hybrid Financial Services Limited \$**	1,600	(1.00)		(1.00)	1,600	(1.00)		(1.00)
Equity shares of ₹10/- each of Navin Fluorine International Limited	-	-		-	189,964	673.23		673.23
Equity shares of ₹10/- each of Bank of India.	100	0.36		0.36	100	0.36		0.36
Equity shares of ₹10/- each of Mafatlal Medical Devices Limited \$	30,000		(1.00)	(1.00)	30,000		(1.00)	(1.00)
Equity shares of ₹100/- each of Suremi Trading Private Limited \$	2		(1.00)	(1.00)	2		(1.00)	(1.00)
Equity shares of ₹100/- each of Mafatlal Impex Private Limited \$**	2		(1.00)	(1.00)	2		(1.00)	(1.00)
Equity shares of ₹100/- each of Navdeep Investment Private Limited \$**	6,250		(1.00)	(1.00)	6,250		(1.00)	(1.00)
Equity shares of ₹10/- each of Arvi Associates Private Limited \$	10,000		(1.00)	(1.00)	10,000		(1.00)	(1.00)
Equity shares of ₹100/- each of Janata Sahakari Bank Limited	62,500		62.50	62.50	34,050		34.05	34.05
Equity shares of ₹25/- each of Shamrao Vithal Co-Operative Bank Limited	100		0.03	0.03	100		0.03	0.03
Equity shares of ₹10/- each of Mafatlal Global Apparel Limited	1,240,000		124.00	124.00	1,240,000		124.00	124.00
<b>(iii) Other entities</b>		5,536.87	192.48	5,729.35		4,553.81	164.03	4,717.84
<b>(c) Investments in Government securities (Fully paid)</b>								
In Government securities (Face value of ₹2.89 lakhs) have been lodged with various authorities			2.89	2.89			2.89	2.89
<b>Investments in Government securities</b>			2.89	2.89			2.89	2.89
<b>(d) Investment in debentures or bonds (Fully paid)</b>								
<b>(i) Associates</b>								
10% Secured Redeemable Convertible Debentures of Mafatlal Engineering Industries Ltd. ##	165,000		(1.00)	(1.00)	165,000		(1.00)	(1.00)
<b>(ii) Other entities</b>								
Corporate Bonds of Housing Development Finance Corporation Ltd.: 11% - Series IV #	2,050		20.50	20.50	2,050		20.50	20.50
<b>Investment in debentures or bonds</b>			20.50	20.50			20.50	20.50
<b>(e) Other Non-current Investments (Fully paid)</b>								
Shares of ₹50/- each of Sea-Face Park Co-op Hsg Society Ltd.	5		(250.00)	(250.00)	5		(250.00)	(250.00)
<b>Total Other Investments - (II)</b>	-	5,536.87	530.65	6,067.52	-	4,553.81	506.08	5,059.89
<b>Total Investments - (I + II)</b>		5,536.87	553.38	6,090.25		4,553.81	528.81	5,082.62
Provision for diminution in value of investments- Opening Balance			288.53	288.53			288.53	288.53
Add: Provision for diminution made during the Current year			-	-			-	-
Provision for diminution in value of investments- Closing Balance			288.53	288.53			288.53	288.53
<b>Grand Total Investments</b>	-	5,536.87	264.85	5,801.72	-	4,553.81	240.28	4,794.09
Aggregate amount of quoted investments				5,536.87				4,553.81
Aggregate market value of quoted investments				24,597.73				13,981.79
Aggregate amount of unquoted investments				264.85				240.28

Figures in ( ) are in Full Rupees

\* 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.

# 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.

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

\*\* 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.

\$\$ 85,36,667 (Previous year 85,36,667) Equity Shares pledged with banks.

**Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017****Note 14 NON-CURRENT INVESTMENTS (Contd.)****Note: 1**

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>Investment Properties</b>		
<b>Gross Block</b>		
Balance as per last Balance Sheet	72.61	72.61
Less: Deduction during the year	-	-
	<b>72.61</b>	<b>72.61</b>
Balance as per last Balance Sheet	26.75	22.87
Add: Depreciation for the year	3.88	3.88
Less : Accumulated Depreciation	30.63	26.75
<b>Net Block</b>	<b>41.98</b>	<b>45.86</b>

**15 LONG-TERM LOANS AND ADVANCES**

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
<b>(a) Capital advances</b>		
Unsecured, considered good	103.66	1,452.58
<b>(b) Security deposits</b>		
Unsecured, considered good	528.37	807.99
<b>(c) Loans and advances to related parties (Refer Note no. 32.5) (See note below)</b>		
Unsecured, considered good	180.63	336.19
<b>(d) Prepaid expenses</b>	2.15	1.51
Unsecured, considered good		
<b>(e) Advance income tax (net of provisions ₹ 12,596.65 lakhs (As at 31st March, 2016 ₹ 12,596.65 lakhs))</b>	2,161.61	1,834.45
Unsecured, considered good		
<b>(f) MAT credit entitlement</b>	1,231.00	1,231.00
<b>(g) Balances with government authorities</b>		
Unsecured, considered good		
(i) CENVAT credit receivable	133.32	133.26
(ii) VAT credit receivable	8.67	8.67
(iii) Service Tax credit receivable	248.54	254.35
(iv) Deposit with Excise authorities in Escrow account	232.28	232.31
	<b>622.81</b>	<b>628.59</b>
Unsecured, considered doubtful		
Deposit with Excise authorities	31.45	31.45
Less: Provision for doubtful loans and advances	(31.45)	(31.45)
	<b>622.81</b>	<b>628.59</b>
<b>(h) Other loans and advances</b>		
Unsecured, considered good		
(i) Deposits recoverable from parties	40.84	9.33
(ii) Lease rent/utilities equalisation of income	56.41	39.53
(iii) Others	155.56	-
	<b>252.81</b>	<b>48.86</b>
<b>Total</b>	<b>5,083.04</b>	<b>6,341.17</b>

## Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
Note :- Private companies in which atleast one of the directors is a director or member:		
Mafatlal Impex Private Limited	-	155.56
Suremi Trading Private Limited	84.76	84.76
Sukarma Investments Private Limited	95.87	95.87
<b>Total</b>	<b>180.63</b>	<b>336.19</b>

### 16 OTHER NON-CURRENT ASSETS

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
(a) <b>Accruals</b>		
Interest accrued on deposits	3.91	3.91
(b) <b>Others</b>		
Balances with Banks in earmarked accounts (Refer Note no. 31.4)	732.14	674.39
<b>Total</b>	<b>736.05</b>	<b>678.30</b>

### 17 CURRENT INVESTMENT (At Lower of Cost or Market value)

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
118,389 Equity shares of ₹10/- each of Navin Fluorine International Limited (Quoted) (Aggregate Market Value of ₹3,603.41 lakhs)	419.57	-
<b>Total</b>	<b>419.57</b>	<b>-</b>

### 18 INVENTORIES (At lower of cost and net realisable value)

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
(a) Raw materials	1,834.32	1,793.52
(b) Work-in-progress	7,435.11	6,780.23
(c) Finished goods (Other than those acquired for trading)	5,450.92	4,616.12
(d) Stock in trade (Acquired for trading)	2,549.22	1,333.40
(e) Stores and spares	742.36	725.14
(f) Others (Land) (Refer Note 31.14)	61.97	61.97
<b>Total</b>	<b>18,073.90</b>	<b>15,310.38</b>
<b>Note: Details of Inventories of Work-in-Progress:</b>		
Cotton & Fibre	406.88	323.41
Yarn	2,416.12	2,857.77
Fabrics	4,612.11	3,599.05
	<b>7,435.11</b>	<b>6,780.23</b>

**Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017****19 TRADE RECEIVABLES**

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
<b>Outstanding for a period exceeding six months from the date they were due for payment</b>		
Unsecured, considered good	5,981.42	1,945.25
Doubtful	175.15	105.63
	<b>6,156.57</b>	<b>2,050.88</b>
Less: Provision for doubtful trade receivables	(175.15)	(105.63)
	<b>5,981.42</b>	<b>1,945.25</b>
<b>Other receivables</b>		
Unsecured, considered good	22,094.98	29,251.18
<b>Total</b>	<b>28,076.40</b>	<b>31,196.43</b>
Includes debts dues from:-		
Private companies in which atleast one of the directors is a director or member:		
Cebon Apparel Private Limited	-	13.23
Tropical Clothing Company Private Limited	-	9.64
<b>Total</b>	<b>-</b>	<b>22.87</b>

**20 CASH AND BANK BALANCES**

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
<b>A Cash and Cash equivalents (As per AS-3 Cash Flow Statements)</b>		
(a) Cash on hand	21.03	16.15
(b) Cheques on hand	50.14	7.44
(c) Balances with banks:		
(i) In Current accounts	676.65	550.62
(ii) In Other deposit accounts- Original maturity of 3 months or less	3.00	0.10
<b>Total - Cash and cash equivalents (As per AS-3 Cash Flow Statements) (A)</b>	<b>750.82</b>	<b>574.31</b>
<b>B Other Bank Balances</b>		
(i) In Other deposit accounts - original maturity more than 3 months (Refer note ii(a))	202.00	55.40
(ii) In earmarked accounts		
(a) Balances held as margin money or security against borrowings, guarantees and other commitments (Refer note ii (b))	703.99	940.28
(b) Unclaimed dividend accounts	28.69	20.66
(iii) Others		
- Balance in Fixed Deposits (earmarked for Overdraft Facility)	-	8,354.30
- Balance in Escrow Current account (Refer Note (i) below)	1.87	1.87
<b>Total - Other bank balances (B)</b>	<b>936.55</b>	<b>9,372.51</b>
<b>Total Cash and bank balances (A+B)</b>	<b>1,687.37</b>	<b>9,946.82</b>

**Notes:**

- (i) Balance in Escrow Current account is operated under the supervision of Monitoring Committee constituted by the Government of Maharashtra, under Development Control Regulations, 1991.
- (ii) (a) Bank deposits with more than 12 months maturity from Balance Sheet date is ₹9.50 lakhs (Previous year ₹10.00 lakhs).
- (ii) (b) Includes balances with more than 12 months maturity from Balance Sheet date is ₹219.43 lakhs (Previous year ₹190.65 lakhs).

## Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017

### 21 SHORT-TERM LOANS AND ADVANCES

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
<b>(a) Security deposits</b>		
Unsecured, considered good	292.17	198.04
<b>(b) Loans and advances to employees</b>		
Unsecured, considered good	12.69	11.05
<b>(c) Prepaid expenses - Unsecured, considered good</b>	266.02	159.01
<b>(d) Balances with statutory / government authorities</b>		
Unsecured, considered good		
(i) Sales Tax receivable	19.26	40.15
(ii) Export and Modvat Benefit receivable	1,075.02	787.77
(iii) Interest subsidy receivable (TUFS)	739.02	482.92
	1,833.30	1,310.84
<b>(e) Others</b>		
Unsecured, considered good		
Trade advances, considered good	1,696.25	632.82
	1,696.25	632.82
<b>Total</b>	4,100.43	2,311.76
<b>Note:</b>		
Loans and advances in the nature of loans, due from :		
Staff (interest bearing)	12.69	11.05
Maximum amount outstanding during the year	12.69	24.30

### 22 OTHER CURRENT ASSETS

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
<b>a) Unamortised Premium</b>	-	7.22
<b>b) Accruals</b>		
(i) Interest accrued on deposits with banks	193.40	431.32
(ii) Interest accrued on deposits with others	7.29	12.47
(iii) Interest accrued on loans to staff	0.38	0.37
<b>Total</b>	201.07	451.38

**Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017****23 REVENUE FROM OPERATIONS**

(₹ in lakhs)

	Current year	Previous year
(a) Sale of products (Refer note (I) below)	124,192.10	129,498.17
(b) Other operating revenues (Refer note (II) below)	2,830.18	2,810.57
<b>Revenue from operations (Gross)</b>	<b>127,022.28</b>	<b>132,308.74</b>
<b>Note:</b>		
<b>I Sale of products comprises:</b>		
<b>a Manufactured goods</b>		
Fabric	71,808.01	64,690.13
Yarn	1,883.04	644.06
Garments	-	13.59
<b>Total - Sale of Manufactured goods</b>	<b>73,691.05</b>	<b>65,347.78</b>
<b>b Traded goods</b>		
Textile	44,771.61	61,898.90
Others	5,729.44	2,251.49
<b>Total - Sale of Traded goods</b>	<b>50,501.05</b>	<b>64,150.39</b>
<b>Total - Sale of Products (a + b)</b>	<b>124,192.10</b>	<b>129,498.17</b>
<b>II Other operating revenues</b>		
Income from waste / scrap sale	363.83	593.38
Processing income	144.78	126.95
Duty drawback and other export incentives	1,095.01	762.19
Rental income from investment property	477.04	467.49
Utility / business service / air-conditioning charges and other receipts	749.52	860.56
<b>Total</b>	<b>2,830.18</b>	<b>2,810.57</b>

**24 OTHER INCOME**

(₹ in lakhs)

	Current year	Previous year
Interest income (Refer note 1, below)	332.03	963.78
Dividend income from investments	326.99	272.72
Net gain on sale of long term investments	-	77.00
Net (loss) / gain on foreign currency transaction and translation	(3.53)	188.90
Other non-operating income (Refer note 2, below)	390.62	654.79
<b>Total</b>	<b>1,046.11</b>	<b>2,157.19</b>
<b>Notes:</b>		
<b>1 Interest income comprises:</b>		
Interest from banks on deposits	238.90	898.24
Interest on Income Tax refund	36.54	-
Other interest	56.59	65.54
<b>Total</b>	<b>332.03</b>	<b>963.78</b>
<b>2 Other non-operating income:</b>		
Miscellaneous income	225.49	196.85
Profit on sale of fixed assets	123.15	414.13
Liabilities / Provisions no longer required written back	41.98	43.81
<b>Total</b>	<b>390.62</b>	<b>654.79</b>



## Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017

### 25 (a) COST OF MATERIALS CONSUMED (Refer Note no. 31.9)

	(₹ in lakhs)	
	Current year	Previous year
Opening stock	1,793.52	1,147.22
Add: Purchases	37,221.80	30,631.55
Less: Closing stock	1,834.32	1,793.52
<b>Cost of materials consumed</b>	<b>37,181.00</b>	<b>29,985.25</b>
<b>Materials consumed comprises:</b>		
Cotton & Fibre	15,080.72	14,887.16
Yarn	11,036.82	9,651.18
Fabrics	8,545.35	3,857.93
Others	2,518.11	1,588.98
<b>Total</b>	<b>37,181.00</b>	<b>29,985.25</b>

### 25 (b) PURCHASE OF TRADED GOODS

	(₹ in lakhs)	
	Current year	Previous year
Textiles	42,305.82	56,834.99
Others	5,222.93	2,037.12
<b>Total</b>	<b>47,528.75</b>	<b>58,872.11</b>

### 25 (c) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	(₹ in lakhs)	
	Current year	Previous year
<b>Inventories at the end of the year</b>		
Finished goods	5,450.92	4,616.12
Work-in-progress	7,435.11	6,780.23
Stock-in-trade (Traded goods)	2,549.22	1,333.40
	<b>15,435.25</b>	<b>12,729.75</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	4,616.12	2,279.07
Work-in-progress	6,780.23	6,729.27
Stock-in-trade (Traded goods)	1,333.40	1,308.36
	<b>12,729.75</b>	<b>10,316.70</b>
<b>Net increase</b>	<b>2,705.50</b>	<b>2,413.05</b>

### 26 EMPLOYEE BENEFITS EXPENSE

	(₹ in lakhs)	
	Current year	Previous year
Salaries and wages	11,262.23	10,744.70
Contributions to provident and other funds (Refer Note no. 32.4)	855.32	806.46
Gratuity expenses	209.79	203.00
Staff welfare expenses	452.17	405.48
<b>Total</b>	<b>12,779.51</b>	<b>12,159.64</b>

**Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017****27 FINANCE COSTS (NET)**

(₹ in lakhs)

	Current year	Previous year
<b>(a) Interest expense on:</b>		
(i) Borrowings (Refer Note no. 1 and 2)	2,308.13	1,794.36
(ii) Trade payables	199.13	150.02
(iii) Others (Includes charges for bills discounting, interest on service tax and excise etc.)	29.71	66.57
<b>(b) Other borrowing costs</b>	83.17	105.17
<b>Total</b>	<b>2,620.14</b>	<b>2,116.12</b>

**Note no. 1**

The interest subsidy for the year on the Term Loans availed under the Technology Upgradation Fund Scheme (TUFS) is ₹ 285.62 lakhs (Previous year ₹ 262.73 lakhs) and the same has been netted off from interest expense.

**Note no. 2**

Finance costs are net of ₹473.47 lakhs (Previous year ₹ 175.92 lakhs) capitalised in fixed assets and CWIP- Refer note no. 31.13

**28 DEPRECIATION AND AMORTISATION EXPENSE**

(₹ in lakhs)

	Current year	Previous year
(Refer note 13a, 13b and 14 )		
Depreciation on tangible assets	2,668.45	2,082.32
Amortisation on intangible assets	33.26	32.98
Depreciation on investment property	3.88	3.88
<b>Total</b>	<b>2,705.59</b>	<b>2,119.18</b>

**29 OTHER EXPENSES**

(₹ in lakhs)

	Current year	Previous year
Consumption of stores and spare parts (Refer Note no. 31.9)	9,752.26	10,165.42
Processing charges	2,318.81	2,716.17
Power and fuel	8,746.88	8,802.32
Repairs and maintenance - Buildings	105.71	198.62
Repairs and maintenance - Machinery	296.49	275.54
Repairs and maintenance - Others	22.29	34.74
Insurance	108.32	86.76
Lease rent (Refer Note no. 32.1)	360.69	394.42
Rates and taxes (including wealth tax ₹nil (Previous year ₹1.81 lakhs of earlier years))	307.24	263.02
Commission, brokerage and discount	2,153.09	2,090.86
Transport and freight charges (net)	652.29	623.85
Expenditure on corporate social responsibility	26.81	35.84
Donations and contributions	0.75	2.83
Bad trade and other receivables / loans and advances written off (net)	55.24	20.25
Provision for doubtful trade receivables and loans & advances (net)	69.52	18.46
Loss on fixed assets sold / scrapped / written off	3.85	50.07
Legal and professional fees	958.44	540.85
Payments to auditors (Refer note (I) below)	70.86	64.06
Directors' fees	32.20	24.00
Miscellaneous expenses (includes Travelling, Printing & Stationery etc.)	3,478.80	3,334.72
<b>Total</b>	<b>29,520.54</b>	<b>29,742.80</b>

## Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017

(₹ in lakhs)

	Current year	Previous year
<b>Note:</b>		
<b>Payments to auditors (excluding service tax)</b>		
<b>Statutory Auditors</b>		
Audit fees	37.00	34.00
For taxation matters	-	-
For other services	23.70	23.00
Reimbursement of expenses	1.57	0.41
<b>Total</b>	<b>62.27</b>	<b>57.41</b>
<b>Branch Auditors</b>		
Audit fees	4.68	3.00
For taxation matters	1.15	0.90
For other services	1.27	1.60
Reimbursement of expenses	1.49	1.15
<b>Total</b>	<b>8.59</b>	<b>6.65</b>

### 30 EXCEPTIONAL ITEMS

(₹ in lakhs)

	Current year	Previous year
Profit on sale of investment (net)	1,337.09	-
Voluntary Retirement Scheme and old employees settlement	(467.15)	-
<b>TOTAL</b>	<b>869.94</b>	<b>-</b>

### Note 31 Additional information to the financial statements

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>31.1 Contingent liabilities and commitments (to the extent not provided for)</b>		
(a) The Company is contingently liable for :		
i Bills of exchange discounted	773.97	761.97
ii Demands of income-tax authorities disputed in appeals (mainly relate to disallowance of conversion of land to stock in trade, write off of balances of loans & advances, business expenditure, Chapter VIA deductions, etc. (pending before the Commission of Income-tax (Appeals)/ Income-tax Appellate Tribunal))	2,714.99	2,617.89
iii Demands under excise and other proceedings disputed in appeals (mainly relating to matters like differential duty on revision of assessable value of yarn captively consumed, duty on T.C. hard waste, duty on drill etc. (pending at various stages, from Assistant Commissioner to CESTAT))	404.23	2,624.24
iv Disputed demand notice issued by the Commissioner of Central Excise relating to Excise and Service Tax matters (includes penalty). ₹221.32 lakhs paid under protest during the previous year.	2,960.55	2,960.55
v Claims against the Company not acknowledged as debts (mainly relating to dispute on fixed water charges at Navsari Unit, disputed service tax, interest on sales tax)	24.84	24.84
vi Claims made by workers against the Company (mainly relating to matters like termination, compensation etc.)	608.70	1,376.32
vii Demands from Director General of Foreign Trade against Advance License	4.79	4.79
viii The Company is a lessee in respect of the land on which Mafatlal Centre and Mafatlal Chambers is erected. In this regard:	-	-

## Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017

### In case of Mafatlal Centre:

A demand for ₹ 2,696.98 lakhs (Previous year ₹ 2,696.98 lakhs) for the period from 2004-07 and 2008-10 has been raised by Brihanmumbai Mahanagarpalika ('BMC') towards Property Taxes in respect of the properties owned by various owners for the respective floors. The demand has been challenged by owners of various floors at appropriate forum and the matter is subjudice. In case the demand is finally upheld, the amount will be paid by the concerned co-owners and the Company will have no additional liability.

### In case of Mafatlal Chambers:

A demand for ₹ 792.46 lakhs (Previous year ₹ 792.46 lakhs) for the period 2000-05 has been raised by Brihanmumbai Mahanagarpalika ('BMC') towards Property Taxes in respect of the properties owned by the Company at the relevant time. The said demand has been disputed by the company. As per the directions given by the Honourable Bombay High Court, the BMC has granted hearing to the Company and the final outcome is awaited.

In the above matters (i) to (viii), the Company is hopeful of succeeding and as such does not expect any significant liability to crystallize.

Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.

(₹ in lakhs)		
	As at 31st March, 2017	As at 31st March, 2016
(b) Letter of comfort given on behalf of Ibiza Industries Limited (under liquidation since 2007) not considered as Guarantee on legal advice.	850.28	850.28

(₹ in lakhs)		
	As at 31st March, 2017	As at 31st March, 2016
<b>31.2 Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for:-		
Tangible assets	183.77	5,303.48

### 31.3 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

(₹ in lakhs)		
Particulars	As at 31 March, 2017	As at 31 March, 2016
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	30.08	83.11
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. The Company has not received intimation from most of the suppliers regarding the status under the Micro, Small and Medium Enterprises Development Act, 2006.

**31.4** As legally advised, the Company has not recognized as income recovery of rent and other charges of ₹83.61 lakhs upto 31st March, 2017 (₹ 83.61 lakhs upto 31st March, 2016) pending final resolution of legal dispute with certain ex-tenants of a property in South Mumbai. At present, the legal dispute is pending with the Hon'ble Bombay High Court. A sum of ₹ 577.89 lakhs (Net) was withdrawn by the Company in accordance with the Orders passed by the Hon'ble High Court of Bombay on the Civil Revision Applications filed by the ex-tenants and the said amount of ₹ 577.89 lakhs has been included in other current / non-current liabilities (Refer Note no. 7, 11 and Note no. 16).

## Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017

### 31.5 Details of Loan given and Investment made covered u/s 186(4) of the Companies Act, 2013

#### (i) Loans given

(₹ in lakhs)			
Name of Party	Purpose	Current Year	Previous Year
Silvia Apparel Limited	Loan	-	2.25

#### (ii) Investments made

(₹ in lakhs)			
Name of Party		Current Year	Previous Year
Janata Sahakari Bank Limited		28.45	9.00
NOCIL Ltd		1,656.29	-

### 31.6 Details on derivatives instruments and unhedged foreign currency exposures

- I The following forward contracts positions are open as at year end. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets. The accounting of these transactions is stated in Note (h) of Significant Accounting Policies.

Forward exchange contracts are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

Outstanding forward exchange contracts entered into by the Company as at balance sheet date:

Currency	Amount	Buy / Sell	Cross currency
USD	65,025	Buy	Rupees
USD	69,700	Sell	Rupees
USD	(911,092.00)	Sell	Rupees

Note: Figures in ( ) relates to the previous year

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

As at 31st March, 2017		As at 31st March, 2016	
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)
<b>Receivable</b>			
2883.43	USD 44.47	1750.77	USD 26.39
-	-	79.25	EURO 1.06
-	-	223.57	JPY 378.54
1.09	AED 0.0615	40.02	AED (DIRHAM) 2.22
<b>Payable</b>			
143.10	USD 2.21	201.96	USD 3.06
7.97	EURO 0.11	5.36	EURO 0.07
43.68	GBP 0.54	-	-

### 31.7 Value of imports calculated on CIF basis :

(₹ in lakhs)		
	Current Year	Previous Year
Raw Materials	63.98	116.59
Stores and Spare parts	1,337.96	2,241.43
Capital Goods	3,943.58	814.57
<b>Total</b>	<b>5,345.52</b>	<b>3,172.59</b>

**Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017****31.8 Expenditure in foreign currency (accrual basis) :**

(₹ in lakhs)

	Current Year	Previous Year
Travelling	76.81	98.22
Commission	226.88	154.74
Professional and Consultation Fees	8.86	107.31
Other matters	48.07	35.38
<b>Total</b>	<b>360.62</b>	<b>395.65</b>

**31.9 Details of consumption of imported and indigenous items :**

	Current Year (Previous Year)	
	₹ in lakhs	%
<b>Imported</b>		
Raw Materials	63.98	0.17%
	(116.59)	(0.39%)
Stores and Spare parts	1,349.40	13.84%
	(2,254.33)	(22.18%)
<b>Total</b>	<b>1,413.38</b>	
	<b>(2,370.92)</b>	

	Current Year (Previous Year)	
	₹ in lakhs	%
<b>Indigenous</b>		
Raw materials	37,117.02	99.83%
	(29,868.66)	(99.61%)
Stores & Spare parts	8,402.86	86.16%
	(7,911.09)	(77.82%)
<b>Total</b>	<b>45,519.88</b>	
	<b>(37,779.75)</b>	

**31.10 Earnings in foreign exchange:**

(₹ in lakhs)

	Current Year	Previous Year
Direct Export of goods calculated on FOB basis	15,721.30	13,155.67

**31.11 Details of research and development expenditure recognised as expense**

(₹ in lakhs)

	Current Year	Previous Year
Employee benefit expenses	67.89	60.87
Consumables	6.24	4.37
Repairs and Maintenance	10.98	12.32
<b>Total</b>	<b>85.11</b>	<b>77.56</b>

- 31.12** Due to inadequacy of profit, the managerial remuneration aggregating to ₹406.26 lakhs, paid to Shri Aniruddha P. Deshmukh, Managing Director & Chief Executive Officer (Professional Director), Shri Priyavrata H. Mafatlal (Executive Director w.e.f. 1st November, 2016) and Shri Vishad P. Mafatlal, Executive Vice-Chairman upto 19th August, 2016, is in excess of the limits specified under Section 197(1) of the Companies Act, 2013. Though the remuneration is within the limits of Schedule V to the Companies Act, 2013, approval of the shareholders for the excess remuneration paid under Section 197(1) is required at the ensuing General Meeting.

## Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017

### 31.13 Project Development expenses capitalised during the year:

		(₹ in lakhs)
	Current Year	Previous Year
Stores and Spares	85.76	-
Finance and other borrowing costs capitalised in CWIP and Fixed Assets	473.47	175.92
Salaries and Wages	399.17	-
<b>Total</b>	<b>958.40</b>	<b>175.92</b>

- 31.14** In an earlier year, the Company had sold part of its leasehold land at its Mazgaon unit. The Company is required to surrender the remaining leasehold land (reserved portion admeasuring about 27,287.82 square meters) to Municipal Corporation of Greater Mumbai for the purpose of extension of V.J.B. Udyan. The Company is also required to recommence the spinning unit which can accommodate 10,000 spindles. By virtue of the agreement, the developer will construct a structure and hand it over to the Company.
- 31.15** 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.
- 31.16** Proposed Dividend on 13,912,886 equity shares of the face value of ₹ 10/- each for the year ended 31st March, 2017 @ ₹ 2/- per share is subject to approval in the Annual General Meeting and is not recognised as liability (including Dividend Distribution Tax thereon).
- 31.17** As reported earlier, the Company has filed Writ Petition No.2982/2016 in the Hon'ble Bombay High Court challenging the demand notice of ₹45,435 lakhs (in respect of Development Agreement dated 17th June 2011 entered into by the Company for a part of its leasehold land at Mazagaon) issued by The Collector of Mumbai City and further actions of the office of Collector thereunder. Pending the admission of the aforesaid Writ Petition, the Hon'ble High Court has recorded by its Orders dated 19th January 2017 and 27th January 2017 that the Collector is ready to recall its Order/ Demand and the subsequent attachment dated 29th November 2016 and give a fresh hearing to the Company and accordingly this Hon'ble Court set aside the Order/ Demand and subsequent attachment dated 29th November 2016. Accordingly, as recorded in Order dated 27th January 2017, the aforesaid demand notice and attachment order has been withdrawn by the Collector and the same has been recorded in the Property Card of C. S. No. 593. Pursuant to the notification dated 10th February 2004, the Company is required to hand over 50% of the land bearing C. S. No. 593 to Municipal Corporation of Greater Mumbai ("MCGM") which is under reservation ("the said land") and as per the said notification, the Company would be eligible to get non-cash compensation in lieu thereof. The Collector claims to have handed over possession of the said reserved land to MCGM during the pendency of proceedings. The Company had filed Notice of Motion No. 5 of 2017 in the Writ Petition No.2982 of 2016 for handing over possession of the said Land to the MCGM under direction of the Court and the claim of the Collector has been challenged by the Company before the Court. The Hon'ble High Court has accordingly by its orders dated 16th March 2017, 13th April 2017 and 28th April 2017 directed status quo to be maintained. The Company continues to be in possession of the said reserved land. The Hon'ble High Court has allowed the Chamber Summons No. 90 of 2017 filed by the Company for impleading MCGM as a party to the Writ Petition and permitting the Company to carry out incidental and consequential amendments to the Writ Petition for bringing subsequent acts of the Collector and MCGM on record. All interim reliefs granted earlier by the Hon'ble High Court are continuing till further orders.



**Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017****Note 32 Disclosures under Accounting Standards**

	₹ in lakhs	
	Current Year	Previous Year
<b>32.1 Details of leasing arrangements</b>		
<u>As Lessor:</u>		
The Company has entered into non cancellable operating lease arrangements for certain premises. The tenure of such agreements ranges from eleven to sixty months.		
Future minimum lease payments		
not later than one year	514.85	444.52
later than one year and not later than five years	1,027.23	1,242.43
<b>Total</b>	<b>1,542.08</b>	<b>1,686.95</b>
Depreciation recognised on the leased assets	1.00	1.00
<u>As Lessee:</u>		
The Company has entered into operating lease arrangements for certain facilities and residence premises. The leases are non-cancellable and are for a period upto 9 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.		
Future minimum lease payments		
not later than one year	315.29	316.43
later than one year and not later than five years	908.37	1,236.23
<b>Total</b>	<b>1,223.66</b>	<b>1,552.66</b>
Lease payments recognised in the Statement of Profit and Loss	306.61	338.19

	₹ in lakhs	
	Current Year	Previous Year
<b>32.2 Earnings / (Loss) per share</b>		
Net Profit / (Loss) for the year attributable to the equity shareholders	(214.53)	1,712.38
Weighted average number of equity shares outstanding during the year	13,912,886	13,912,886
Par value per share (₹)	10.00	10.00
Earnings / (Loss) per share - Basic and Diluted (₹)	(1.54)	12.31

**32.3 Segment Information**

As per the Accounting standard (AS) 17 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.

**32.4 Employee benefit plans****a) Defined contribution plans**

Contributions are made to Recognized Provident Fund / Government Provident Fund and Family Pension Fund which covers all regular employees. Contribution is also made in respect of executives to a Recognized Superannuation Fund. While both the employees and the Company make predetermined contributions to the Provident Fund, contribution to the Family Pension Fund and Superannuation Fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. The Company recognised during the year ₹ 469.05 lakhs (Previous year ₹472.65 lakhs) as Provident Fund Contribution, ₹ 242.05 lakhs (Previous year ₹228.96 lakhs) as Super Annuation Contribution and ₹144.22 lakhs (Previous year ₹104.85 lakhs) as Pension Fund Contribution.

**b) Defined benefit plans**

Contributions are made to a Recognized Gratuity Fund in respect of gratuity based upon actuarial valuation done at the year end of every financial year using "Projected Unit Credit" method and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

The charge on account of provision for gratuity has been included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

## Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

	₹ in lakhs	
	Current Year	Previous Year
<b>Components of employer expense</b>		
Current service cost	176.15	145.22
Interest cost	246.91	239.23
Expected return on plan assets	(236.94)	(225.63)
Actuarial losses/(gains)	23.67	44.18
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>209.79</b>	<b>203.00</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	609.24	343.50
Actual contributions	133.32	250.50
<b>Net Liability recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	(2,975.06)	(3,155.22)
Fair value of plan assets	2,772.15	3,028.78
Unrecognised past service costs	-	-
<b>Net Liability recognised in the Balance Sheet</b>	<b>(202.91)</b>	<b>(126.44)</b>
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	(3,155.22)	(3,022.85)
Current service cost	(176.15)	(145.22)
Interest cost	(246.91)	(239.23)
Actuarial gains / (losses)	(6.02)	(91.42)
Benefits paid	609.24	343.50
<b>Present value of DBO at the end of the year</b>	<b>(2,975.06)</b>	<b>(3,155.22)</b>
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	3,028.78	2,848.91
Expected return on plan assets	236.94	225.63
Actual company contributions	133.32	250.50
Actuarial gain / (loss)	(17.64)	47.24
Benefits paid	(609.24)	(343.50)
Plan assets at the end of the year	2,772.15	3,028.78
Actual return on plan assets	219.29	272.87
<b>Composition of the plan assets is as follows:</b>		
Government bonds	43.58%	41.74%
PSU bonds	31.72%	32.82%
Others	0.47%	3.35%
Insurer Managed Funds	11.07%	9.19%
Deposits with Nationalised Banks	13.16%	12.14%
Mutual Funds	-	0.77%
<b>Actuarial assumptions</b>		
Discount rate	7.51% - 7.57%	7.81% - 7.95%
Expected return on plan assets	7.51% - 7.57%	7.81% - 7.95%
Salary escalation	4.00%	4.00%
Attrition	2.00%	2.00%
Mortality tables	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Estimate of amount of contribution in the immediate next year	377.59	302.58

**Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017****Experience adjustments (continued)**

₹ in lakhs

Gratuity	Current Year ended 31st March, 2017	Previous Year ended 31st March, 2016	Previous Year ended 31st March, 2015	Previous Year ended 31st March, 2014	Previous Year ended 31st March, 2013	(9 months ended 31st March, 2012)
Experience (gain) / loss adjustments on plan liabilities	(59.96)	71.00	117.09	153.09	281.08	274.99
Experience gain / (loss) adjustments on plan assets	(17.64)	47.24	42.30	18.88	49.76	111.58

**Long term Compensated absences**

	Current Year	Previous Year
<b>Actuarial assumptions</b>		
Discount rate	7.51% - 7.57%	7.81% - 7.95%
Salary escalation	4.00%	4.00%
Attrition	2.00%	2.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

All the employees are eligible for compensated absences of 30 days in each financial year which can be encashed during the tenure of employment. Employees cannot carry forward any compensated absences in excess of 300 days. The provision for these absences, made on the basis of Actuarial Valuation on "Projected Unit Credit" method is ₹ 636.51 lakhs (Previous year ₹619.35 lakhs). Net charge for the year ₹ 284.55 (Previous year ₹223.75 lakhs).

**Note 32.5****Related Parties Transactions****Details of Related Parties****A Subsidiary Company**

Mafatlal Services Limited

**B Jointly Controlled Entity**

Al Fahim Mafatlal Textiles LLC- A Joint Venture with Al Fahim Linez LLC- (UAE) (Refer Note no. 32.6)

**C Associates**

–

**D Key Management Personnel**

Aniruddha Deshumkh

V. P. Mafatlal (upto 19th August 2016)

Priyavrata H. Mafatlal (From 1st November 2016)

Rajiv Dayal (upto 12th August 2015)

**E Enterprises over which key management personnel and their relatives are able to exercise significant influence**

NOCIL Limited

Navin Flourine International Limited (upto 19th August 2016)

Sulakshana Securities Limited (upto 19th August 2016)

Krishnadeep Housing Development Private Limited (upto 19th August 2016)

Mafatlal Impex Private Limited (upto 19th August 2016)

Mafatlal Fabrics Private Limited (upto 19th August 2016)

## Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017

### F Individual having significant influence

H. A. Mafatlal

### G Relatives of Individual having significant influence

Priyavrata H. Mafatlal (upto 31st October, 2016)

### H 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

### Details of transactions with related parties during the year :

										(₹ in Lakhs)
Nature of Transactions	Subsidiaries	Jointly Controlled Entity	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individual are able to exercise significant influence	Total
<b>Other Operation Revenues</b>										<b>77.43</b>
										100.87
Sulakhana Securities Limited (** Refer Note Below)	-	-	-	-	-	16.06	-	-	-	16.06
						6.36	-	-	-	6.36
NOCIL Limited	-	-	-	-	-	13.69	-	-	-	13.69
						15.68	-	-	-	15.68
Navin Fluorine International Limited (** Refer Note Below)	-	-	-	-	-	47.68	-	-	-	47.68
						78.83	-	-	-	78.83
<b>Interest Income</b>										-
										4.94
Mafatlal Impex Private Ltd. (** Refer Note Below)	-	-	-	-	-	-	-	-	-	-
						3.31	-	-	-	3.31
Sukarma Investments Private Limited	-	-	-	-	-	-	-	-	-	-
						-	-	-	1.63	1.63
<b>Dividend Income</b>										<b>319.23</b>
										265.50
NOCIL Ltd	-	-	-	-	-	276.43	-	-	-	276.43
						230.36	-	-	-	230.36
Navin Fluorine International Limited (** Refer Note Below)	-	-	-	-	-	42.80	-	-	-	42.80
						35.14	-	-	-	35.14
<b>Receiving of Services (Expense)</b>										<b>79.67</b>
										75.08
Mafatlal Services Limited	79.67	-	-	-	-	-	-	-	-	79.67
	75.08	-	-	-	-	-	-	-	-	75.08
<b>Purchase of Goods &amp; Services</b>										-
										28.26
Mafatlal Fabrics Private Limited	-	-	-	-	-	-	-	-	-	-
						27.93	-	-	-	27.93
Navin Fluorine International Limited (** Refer Note Below)	-	-	-	-	-	-	-	-	-	-
						0.33	-	-	-	0.33

Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017

(₹ in Lakhs)										
Nature of Transactions	Subsidiaries	Jointly Controlled Entity	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individual are able to exercise significant influence	Total
<b>Sale of Goods &amp; Services</b>										<b>1.23</b>
										9.80
Navin Fluorine International Limited (** Refer Note Below)	-	-	-	-	-	0.49	-	-	-	0.49
	-	-	-	-	-	8.70	-	-	-	8.70
NOCIL Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	0.85	-	-	-	0.85
Mafatlal Fabrics Private Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	0.25	-	-	-	0.25
Suremi Trading Private Limited	-	-	-	-	-	-	-	-	0.74	0.74
	-	-	-	-	-	-	-	-	-	-
<b>Remuneration</b>										<b>423.24</b>
										454.99
Priyavrata H. Mafatlal	-	-	-	27.56	-	-	-	16.98	-	44.54
	-	-	-	-	-	-	-	25.68	-	25.68
<b>Vishad P. Mafatlal (* Refer Note Below)</b>	-	-	-	<b>149.86</b>	-	-	-	-	-	<b>149.86</b>
	-	-	-	126.15	-	-	-	-	-	126.15
Aniruddha P. Deshmukh	-	-	-	<b>228.83</b>	-	-	-	-	-	<b>228.83</b>
	-	-	-	122.39	-	-	-	-	-	122.39
Rajiv Dayal	-	-	-	-	-	-	-	-	-	-
	-	-	-	180.77	-	-	-	-	-	180.77
<b>Sitting Fees</b>										<b>1.75</b>
										2.00
H.A. Mafatlal	-	-	-	-	-	-	1.75	-	-	1.75
	-	-	-	-	-	-	2.00	-	-	2.00
<b>Loans Given</b>										-
										2.25
Silvia Apparel Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	2.25	2.25
<b>Repayment of Loan by</b>										-
										316.32
Sukarma Investments Private Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	81.50	81.50
Suremi Trading Private Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	38.00	38.00
Mafatlal Impex Pvt Ltd. (** Refer Note Below)	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	115.00	-	-	-	115.00
Silvia Apparel Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	2.25	2.25
Rajiv Dayal	-	-	-	-	-	-	-	-	-	-
	-	-	-	79.57	-	-	-	-	-	79.57
<b>Provision on Investment as at 31st March 2017</b>										<b>268.03</b>
										268.03
Mafatlal Service Limited	<b>245.30</b>	-	-	-	-	-	-	-	-	<b>245.30</b>
	245.30	-	-	-	-	-	-	-	-	245.30
Al Fahim Mafatlal Textiles LLC	-	<b>22.73</b>	-	-	-	-	-	-	-	<b>22.73</b>
	-	22.73	-	-	-	-	-	-	-	22.73

## Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017

(₹ in Lakhs)

Nature of Transactions	Subsidiaries	Jointly Controlled Entity	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individual are able to exercise significant influence	Total
<b>Amount due from - as at 31st March, 2017</b>										<b>202.42</b>
										655.60
Mafatlal Impex Private Limited (Advances) (** Refer Note Below)	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	155.56	-	-	-	155.56
Mafatlal Global Apparel Limited (Trade Receivable)	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	273.64	273.64
Sukarma Investments Private Limited	-	-	-	-	-	-	-	-	95.87	95.87
	-	-	-	-	-	-	-	-	95.87	95.87
Mafatlal Fabrics Private Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	0.20	-	-	-	0.20
Al Fahim Mafatlal Textiles LLC	-	-	-	-	-	-	-	-	-	-
	-	38.91	-	-	-	-	-	-	-	38.91
Navin Fluorine International Limited (Trade Receivable) (** Refer Note Below)	-	-	-	-	-	7.27	-	-	-	7.27
	-	-	-	-	-	6.66	-	-	-	6.66
Sulakhshana Securities Ltd ( ** Refer Note Below)	-	-	-	-	-	14.52	-	-	-	14.52
	-	-	-	-	-	-	-	-	-	-
Suremi Trading Private Limited	-	-	-	-	-	-	-	-	84.76	84.76
	-	-	-	-	-	-	-	-	84.76	84.76
<b>Amount due to - as at 31st March, 2017</b>										<b>2.59</b>
										2.12
Mafatlal Fabrics Private Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	0.32	-	-	-	0.32
Mafatlal Services Limited	2.59	-	-	-	-	-	-	-	-	2.59
	1.80	-	-	-	-	-	-	-	-	1.80

Figures in italics represents previous year figures.

\* Includes Gratuity and leave encashment at the end of the tenure.

\*\* Navin Flourine International Ltd., Mafatlal Impex Pvt. Ltd. and Sulakhshana Securities Ltd. are considered to be related parties only till 19 August 2016.

### Note 32.6 Details of the Company's interest in Joint Venture

#### Interest in joint venture

The Company has interests in the following joint venture - Jointly Controlled Entity (JCE):

Name of joint venture and country of incorporation	% of interest / Ownership	Amount of interest based on accounts for the year ended 31st March, 2017 (₹ in lakhs)					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
Al Fahim Mafatlal Textile LLC, UAE	49	17.15	57.50	NIL	NIL	NIL	NIL
	(49)	(17.15)	(57.50)	(NIL)	(NIL)	(NIL)	(NIL)

## Notes forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2017

Note:- The Jointly controlled entity 'Al Fahim Mafatlal Textile LLC, UAE' is currently under the process of winding up. Pursuant to such winding up the Company's interest in the joint venture ceases to exist and the same passes on to the competent authority responsible for closure of operations as per the law of the jurisdiction in which it is incorporated. Hence the Company has no access to the financials of the JCE which are under the control of such competent authority and so no information about it can be disclosed.

Note: Figures in brackets relate to the previous year.

### Note 33

The Company has not made any remittances in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances in foreign currencies on account of dividends have been made by or on behalf of non-resident shareholders. The particulars of dividends paid to non-resident shareholders are as follows:

	Year ended 31st March, 2017	Year ended 31st March, 2016
Year to which Dividend relates	2015-16	2014-15
Number of non-resident shareholders	198	160
Number of shares held by them on which dividend is due	81,590	52,425
Amount remitted to bank accounts in India of non-resident shareholders - ₹ in lakhs	2.45	1.57

- 34 The Ministry of Corporate Affairs ('MCA') in its notification dated 30th March 2017 ammended Schedule III to the Companies Act, 2013 requiring Companies to provide the following disclosure in the financial statement in respect of Specified Bank Notes ('SBN') held and transacted during the period 8th November 2016 to 30th December 2016:

(₹ in Lakhs)

	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 8th November 2016	8.63	17.50	26.13
(+) Permitted Receipts	0.02	75.70	75.72
(-) Permitted Payments	5.00	75.48	80.48
(-) Amount Deposited in Banks	3.65	1.15	4.80
Closing Cash in Hand as on 30th December 2016	-	16.57	16.57

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

### For and on behalf of the Board of Directors

**H. A. Mafatlal**  
Chairman  
(DIN:00009872)

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

**Ashish A. Karanji**  
Company Secretary

**Aniruddha P. Deshmukh**  
Managing Director &  
Chief Executive Officer  
(DIN:01389267)

**Milan P. Shah**  
Chief Financial Officer

**Directors**  
**V. R. Gupte** (DIN:00011330)  
**A. K. Srivastava** (DIN:00046776)  
**P. N. Kapadia** (DIN:00078673)  
**G. G. Charkravarti** (DIN:00004399)  
**S. A. Shah** (DIN:00058019)  
**L.P. Pradhan** (DIN:07118801)

Mumbai, Dated : 5th May, 2017



## Independent Auditor's Report

### To the Members of Mafatlal Industries Limited

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **MAFATLAL INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), and its jointly controlled entity comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements"), in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the branches of the Group located at Ahmedabad and Nadiad.

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entity and for preventing and detecting frauds and other irregularities; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors and other auditors in terms of their reports referred to in sub-paragraphs (a), (b) and (c) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the branch auditors and other auditors on separate financial information of the branches, subsidiary and jointly controlled entity referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and jointly controlled entity as at 31<sup>st</sup> March, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

#### Other Matter

- (a) We did not audit the financial information of two branches included in the standalone financial statements of the company included in the Group whose financial information reflect total assets of ₹ 31,342.78 lakhs as at 31<sup>st</sup> March, 2017 and total revenues of ₹ 33,508.94 lakhs for the year ended on that date, as considered in the standalone financial statements of the company included in the Group. The financial information of these branches have been audited by the branch auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid branches is based solely on the report of such branch auditors.
- (b) We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of ₹ 50.49 lakhs as at 31<sup>st</sup> March, 2017, total revenues of ₹ 27.17 lakhs and net cash inflows/ (outflows) amounting to ₹ (0.24) 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, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditors.

- (c) We did not audit the financial statements of a jointly controlled entity, whose financial statements reflect total assets of ₹17.15 lakhs as at March 31, 2017, total revenues of ₹ Nil and net cash flows amounting to ₹ Nil for the year ended on that date, as considered in the consolidated financial statements. This financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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 matters with respect to our reliance on the work done and the reports of the branch auditors and other auditors and the financial statements certified by the management.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the branch auditors and other auditors on separate financial statements of subsidiary, and jointly controlled entity referred in the Other Matters paragraph above we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept and proper returns adequate for the purposes of our audit have been received from the branches not visited by us so far as it appears from our examination of those books, returns and the reports of the other auditor.
- (c) The reports on the accounts of the branch offices of the Company included in the Group audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
- (d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- (e) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.

- (f) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and subsidiary company's internal financial controls over financial reporting.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, 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 of pending litigations on the consolidated financial position of the Group and jointly controlled entity. Also refer Note no.31.1 to the financial statements.
  - The Group and jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.
  - The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the relevant books of account maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us and the branch auditors and other auditors by the Management of the respective Group entities.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Firm's Registration Number 117364W)

**(Ketan Vora)**  
(Partner)

(Membership Number 100459)

Place: Mumbai  
Date: 5<sup>th</sup> May, 2017

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **MAFATLAL INDUSTRIES LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiary company, which is a company incorporated in India, which includes internal financial controls over financial reporting of the Company’s branches in India, as of that date.

#### Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 Companies Act, 2013.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary company which is a company incorporated in India, 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 Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors and other auditors of the subsidiary company which is a company incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary company which is a company incorporated in India.

#### Meaning of Internal Financial Controls Over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

**Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors and other auditors referred to in the Other Matter paragraph below, the Holding Company and its subsidiary company which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the companies 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.

**Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two branches and one subsidiary company, which is a company incorporated in India, is based solely on the corresponding reports of the branch auditors and of auditors of the company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration Number 117364W)

Place: Mumbai  
Date: 5<sup>th</sup> May, 2017

**(Ketan Vora)**  
(Partner)  
(Membership Number 100459)



# MAFATLAL INDUSTRIES LIMITED

## Consolidated Balance Sheet as at 31st March, 2017

(₹ in lakhs)

	Note No.	As at 31st March, 2017	As at 31st March, 2016
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	1,391.22	1,391.22
(b) Reserves and surplus	4	35,988.26	36,202.79
		<b>37,379.48</b>	<b>37,594.01</b>
<b>2 Minority Interest</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	5	9,779.65	6,588.56
(b) Deferred tax liabilities (net)	6	-	477.17
(c) Other long-term liabilities	7	356.09	358.91
(d) Long-term provisions	8	452.93	483.12
		<b>10,588.67</b>	<b>7,907.76</b>
<b>4 Current liabilities</b>			
(a) Short-term borrowings	9	10,972.16	14,223.49
(b) Trade payables:	10		
Total outstanding dues of micro enterprises and small enterprises		30.08	83.11
Total outstanding dues of creditors other than micro enterprises and small enterprises		25,819.01	27,251.31
(c) Other current liabilities	11	7,900.59	4,571.29
(d) Short-term provisions	12	1,115.83	1,523.23
		<b>45,837.67</b>	<b>47,652.43</b>
<b>Total</b>		<b>93,805.82</b>	<b>93,154.20</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	13(a)	28,884.92	21,274.89
(ii) Intangible assets	13(b)	62.07	68.69
(iii) Capital work-in-progress		773.05	915.90
		<b>29,720.04</b>	<b>22,259.48</b>
(b) Non-current investments	14	5,641.85	4,642.59
(c) Long-term loans and advances	15	5,083.35	6,341.38
(d) Other non-current assets	16	736.05	678.30
		<b>41,181.29</b>	<b>33,921.75</b>
<b>2 Current assets</b>			
(a) Current Investments	17	419.57	-
(a) Inventories	18	18,073.90	15,310.38
(b) Trade receivables	19	28,122.41	31,193.35
(c) Cash and bank balances	20	1,697.33	9,957.02
(d) Short-term loans and advances	21	4,110.25	2,320.32
(e) Other current assets	22	201.07	451.38
		<b>52,624.53</b>	<b>59,232.45</b>
<b>Total</b>		<b>93,805.82</b>	<b>93,154.20</b>
Significant accounting policies	2		

See accompanying notes forming part of the financial statements

In terms of our report attached.

**For DELOITTE HASKINS & SELLS**

Chartered Accountants  
Registration No. 117364W

**(KETAN VORA)**

Partner

Membership No. 100459

Mumbai, Dated : 5th May, 2017

**For and on behalf of the Board of Directors**

**H. A. Mafatlal**  
Chairman  
(DIN:00009872)

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

**Ashish A. Karanji**  
Company Secretary

**Aniruddha P. Deshmukh**  
Managing Director &  
Chief Executive Officer  
(DIN:01389267)

**Milan P. Shah**  
Chief Financial Officer

**Directors**

**V. R. Gupte**

**A. K. Srivastava**

**P. N. Kapadia**

**G. G. Charkravarti**

**S. A. Shah**

**L.P. Pradhan**

**DIN**

(DIN:00011330)

(DIN:00046776)

(DIN:00078673)

(DIN:00004399)

(DIN:00058019)

(DIN:07118801)

**Consolidated Statement of Profit and Loss for the year ended 31st March, 2017**

(₹ in lakhs)

Particulars	Note No.	Current year	Previous year
<b>1</b> Revenue from operations	23	<b>127,022.28</b>	132,308.74
<b>2</b> Other income	24	<b>1,073.28</b>	2,172.86
<b>3 Total revenue ( 1 + 2 )</b>		<b>128,095.56</b>	<b>134,481.60</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	25(a)	<b>37,181.00</b>	29,985.25
(b) Purchases of stock-in-trade (Trading Activity)	25(b)	<b>47,528.75</b>	58,872.11
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25(c)	<b>(2,705.50)</b>	(2,413.05)
(d) Employee benefits expense (Net)	26	<b>12,790.87</b>	12,178.08
(e) Finance costs (Net)	27	<b>2,620.14</b>	2,116.12
(f) Depreciation and amortization expense	28	<b>2,705.59</b>	2,119.18
(g) Other expenses (Net)	29	<b>29,536.35</b>	29,740.03
<b>Total expenses</b>		<b>129,657.20</b>	<b>132,597.72</b>
<b>5 Profit / (Loss) before exceptional items and tax (3 - 4)</b>		<b>(1,561.64)</b>	1,883.88
<b>6 Exceptional items</b>	30	<b>869.94</b>	-
		<b>869.94</b>	-
<b>7 Profit / (Loss) before tax (5+6)</b>		<b>(691.70)</b>	1,883.88
<b>8 Tax (expense) / benefit :</b>			
(a) Current tax		-	(360.00)
(b) MAT credit entitlement		-	360.00
(c) Net Current tax credit / (expense) (a+b)		-	-
(d) Deferred tax credit / (charge)		<b>477.17</b>	(171.50)
<b>Net tax (expense) (c+d)</b>		<b>477.17</b>	<b>(171.50)</b>
<b>9 Profit / (Loss) after tax before Share of Profit in Associate and Minority Interest for the year (7+8)</b>		<b>(214.53)</b>	1,712.38
<b>Share of (Losses) in Associate</b>		-	-
<b>Profit / (Loss) for the year</b>		<b>(214.53)</b>	<b>1,712.38</b>
<b>10 Earnings per share (on face value of ₹ 10/- each) - (Refer Note no. 31.2)</b>			
(a) Basic		<b>(1.54)</b>	12.31
(b) Diluted		<b>(1.54)</b>	12.31
<b>Significant accounting policies</b>	2		

See accompanying notes forming part of the financial statements

In terms of our report attached.  
**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Registration No. 117364W

**(KETAN VORA)**  
**Partner**  
Membership No. 100459

Mumbai, Dated : 5th May, 2017

For and on behalf of the Board of Directors

**H. A. Mafatlal**  
Chairman  
(DIN:00009872)

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

**Ashish A. Karanji**  
Company Secretary

**Aniruddha P. Deshmukh**  
Managing Director &  
Chief Executive Officer  
(DIN:01389267)

**Milan P. Shah**  
Chief Financial Officer

Directors	DIN
<b>V. R. Gupte</b>	(DIN:00011330)
<b>A. K. Srivastava</b>	(DIN:00046776)
<b>P. N. Kapadia</b>	(DIN:00078673)
<b>G. G. Charkravarti</b>	(DIN:00004399)
<b>S. A. Shah</b>	(DIN:00058019)
<b>L.P. Pradhan</b>	(DIN:07118801)



## Cash Flow Statement for the year ended 31st March, 2017

₹ In Lakhs

	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>A. Cash flow from operating activities</b>		
<b>Net Profit after exceptional items and before tax as per the Statement of Profit and Loss</b>	<b>(691.70)</b>	1,883.88
<b>Adjustments for,</b>		
Depreciation and amortization expense	2,705.59	2,119.18
Finance costs on Borrowings	2,676.92	2,162.26
Finance costs on Borrowings TUF Income	(285.62)	(262.73)
Finance Cost on other than Borrowings	228.84	216.59
Interest income	(332.03)	(963.78)
Dividend income	(326.99)	(272.72)
Rental Income on Investment Properties	(477.04)	(467.49)
Profit on sale of long term Investments other than Investment Properties	(1,337.09)	-
Net Loss / Gain on sale of fixed assets including sold/scrapped / written off	(119.30)	(364.06)
Liabilities / Provisions no longer required	(41.98)	(43.81)
Bad trade and other receivables/ Loans and advances written off (net)	55.24	20.25
Provision for doubtful debts/ advances	69.52	18.46
Net unrealised exchange loss /(gain)	43.12	5.64
<b>Operating profit before working capital changes</b>	<b>2,167.48</b>	4,051.67
<i>Changes in working capital</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(2,763.52)	(3,075.29)
Trade receivables	2,938.21	(11,312.81)
Short term Loans and advances	(1,789.93)	(769.26)
Long term loans and advances	1,585.29	(27.67)
Other Current Assets	250.31	(34.83)
Other Non Current Assets	(57.75)	(35.69)
<i>Adjustments for increase / ( decrease ) in operating liabilities:</i>		
Short Term Provisions	120.41	(50.22)
Long Term Provisions	(30.19)	(35.23)
Interest accrued and due on other than borrowings	(373.06)	(167.58)
Other Current Liabilities	1,624.80	(7.57)
Other Long Term Liabilities	(2.82)	81.98
Trade and other payables	(1,478.51)	8,212.80
	23.24	(7,221.37)
<b>Cash generated from Operations</b>	<b>2,190.72</b>	(3,169.70)
Net income tax (paid) / refunds	(352.88)	(366.12)
	<b>1,837.84</b>	(3,535.82)



**Cash Flow Statement for the year ended 31st March, 2017**

₹ In Lakhs

	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>B. Cash flow from investing activities</b>		
Purchase of Fixed Assets and Capital Work in Progress (including Capital Advances)	(10,210.06)	(4,737.13)
Proceeds from sale/disposal of Fixed Assets	168.77	556.34
Purchase of Non Current Investments-Other than Investment Property	(1,418.83)	(9.00)
Dividend income from long term investments	326.99	272.72
Rental Income on Investment Properties	477.04	467.49
Interest Income	332.03	963.78
Other Bank balances not considered as Cash and Cash Equivalents	8,435.96	306.41
Sale of Non Current Investments - Other than Investment Properties	1,337.09	77
<b>Net cash (used in) investing activities</b>	<b>(551.01)</b>	<b>(2,102.39)</b>
<b>C. Cash flow from financing activities</b>		
Finance Costs	(2,576.89)	(2,064.09)
Proceeds from Short Term Borrowings	(3,251.33)	7,011.24
Proceeds / Repayments from Long Term Borrowings	5,220.02	706.44
Dividend Paid	(417.39)	(417.39)
Tax on Dividend	(84.97)	(70.94)
<b>Net cash generated from / (used in) financing activities</b>	<b>(1,110.56)</b>	<b>5,165.26</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>176.27</b>	<b>(472.95)</b>
Cash and cash equivalents at the beginning of the year	584.51	1,057.46
<b>Cash and cash equivalents at the end of the year (Note no. 19 )</b>	<b>760.78</b>	<b>584.51</b>
See accompanying notes forming part of the financial statements		

In terms of our report attached.  
**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Registration No. 117364W

**(KETAN VORA)**  
**Partner**  
Membership No. 100459

Mumbai, Dated : 5th May, 2017

**For and on behalf of the Board of Directors**

**H. A. Mafatlal**  
Chairman  
(DIN:00009872)

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

**Ashish A. Karanji**  
Company Secretary

**Aniruddha P. Deshmukh**  
Managing Director &  
Chief Executive Officer  
(DIN:01389267)

**Milan P. Shah**  
Chief Financial Officer

Directors	DIN
<b>V. R. Gupte</b>	(DIN:00011330)
<b>A. K. Srivastava</b>	(DIN:00046776)
<b>P. N. Kapadia</b>	(DIN:00078673)
<b>G. G. Charkravarti</b>	(DIN:00004399)
<b>S. A. Shah</b>	(DIN:00058019)
<b>L.P. Pradhan</b>	(DIN:07118801)

Mumbai, Dated : 5th May, 2017

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### 1. Corporate Information

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

#### a. Basis of accounting and preparation of Financial Statements

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entity (together the 'Group') have been prepared and presented in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidation financial statements are consistent with those followed in the previous year.

#### b. Principles of Consolidation

The consolidated financial statements relate to Mafatlal Industries Limited (the Company), its subsidiary company and jointly controlled entity. The consolidated financial statements have been prepared on the following basis.

The subsidiaries are consolidated on a line-by-line basis adding together like items of assets, liabilities, income and expenses in accordance with Accounting Standard -21 on "Consolidated Financial Statements". Inter-company transactions and balances are eliminated on consolidation.

Investments in Associates are accounted for using the Equity Method in accordance with Accounting Standard 23 on "Accounting for Investments in Associates in Consolidated Financial Statements". Unrealised profits and losses resulting from transactions between the Company and the Associates are eliminated to the extent of the Company's interest in the Associates.

Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per AS 27 Financial Reporting of Interests in Joint Ventures.

Goodwill arising on consolidation is not amortised but tested for impairment.

#### c. Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

#### d. Inventories

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

#### e. Depreciation on tangible fixed assets

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of Plant and Machinery, in whose case the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.

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

#### f. Revenue recognition

Revenue including other income is recognized when no significant uncertainty as to its' determination or realization exists.

#### g. Export Benefits

Export Benefits available under prevalent schemes are accrued in the year when the right to receive credit as per the terms of the scheme is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate realization / utilization of such benefits.

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### h. Fixed Assets (Tangible / Intangible)

Fixed assets are recorded at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation, amortization and impairment loss, if any.

#### Capital Work-in-progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

### i. Foreign currency transactions and translations

Transactions in foreign currency are recorded at the original rates of exchange in force at the time the transactions are effected. At the year-end, monetary items denominated in foreign currency and forward exchange contracts are reported using closing rates of exchange. Exchange differences arising thereon and on realization / payment of foreign exchange are accounted, in the relevant year, as income or expense.

In case of forward exchange contracts, or other financial instruments that are in substance forward exchange contracts, the premium or discount arising at the inception of the contracts is amortized as expense or income over the life of the contracts. Gains / losses on settlement of transactions arising on cancellation / renewal of forward exchange contracts are recognized as income or expense.

### j. Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated where applicable in accordance with the policy stated for fixed assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

### k. Cash flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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.

### l. Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares).

Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### m. Employee benefits

- The Company contributes towards Employees State Insurance Scheme, Provident Fund, Family Pension Fund and Superannuation Fund which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution as required to be made under the statutes / rules.
- Gratuity liability, a defined benefit scheme, and provision for compensated absences are accrued and provided for on the basis of actuarial valuations made at the year end.

### n. Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### o. Operating Lease

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognized as Operating Lease. Operating Lease receipts and payments are recognized as income or expense, as the case may be, in the Statement of Profit and Loss on a straight-line basis over the lease term.

### p. Taxes on income

Tax expenses comprise both current and deferred tax at the applicable enacted / substantively enacted rates. Current tax represents the amount of Income tax payable / recoverable in respect of the taxable income / loss for the reporting period.

Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets and Liabilities are measured using the tax rates and tax laws that have been enacted or are substantively enacted by the balance sheet date. In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realize such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

Current and deferred tax relating to items directly recognized in reserves are recognized in reserves and not in the Statement of Profit and Loss.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

### q. Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

### r. Impairment of assets

Impairment loss is provided to the extent the carrying amount of assets exceed their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

### s. Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are not recognised in the financial statements.

### t. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.

### u. 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.

### v. Government grants and subsidies

Grants and subsidies from the Government are recognized when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with.

The grant or subsidy that relates to interest expenses is recognized as income over the periods necessary to match them on a systematic basis to the interest costs, which it is intended to compensate. The grant or subsidy relating to the fixed assets is deducted in arriving at the carrying amount of the related fixed asset.

**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017****3 SHARE CAPITAL**

	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
<b>(a) Authorised</b>				
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
	10,000.00		10,000.00	
<b>(b) Issued</b>				
Equity shares of ₹10/- each with voting rights	13,912,886	1,391.28	13,912,886	1,391.28
<b>(c) Subscribed and fully paid up</b>				
<b>(i)</b> 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
<b>Total</b>		1,391.22		1,391.22

**a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:**

	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
<b>(i) Equity shares with voting rights</b>				
Opening balance	13,912,886	1391.28	13,912,886	1391.28
Less: Allotment money/ Calls in arrears	-	0.06	-	0.06
Closing balance	13,912,886	1,391.22	13,912,886	1,391.22

**b. Terms / rights attached to Equity shares:**

The Company has issued only one class of equity shares having a par value of ₹10/- per share. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

**c. Details of shares held by each shareholder holding more than 5% shares in the Company:**

Equity shares of ₹10/- each fully paid Name	31st March, 2017		31st March, 2016	
	Nos.	% holding	Nos.	% holding
H. A. Mafatlal	3,176,150	22.83	826,803	5.94
NOCIL Limited	1,269,695	9.13	566,320	4.07
Suremi Trading Private Limited	1,189,431	8.55	415,279	2.98
Navin Fluorine International Limited	1,071,332	7.70	1,774,707	12.76
Altamount Products and Services Private Limited	1,064,443	7.65	1,064,443	7.65
Sukarma Investments Private Limited	839,173	6.03	839,173	6.03
Rekha H. Mafatlal	804,283	5.78	804,283	5.78
V. P. Mafatlal	-	-	1,212,316	8.72
Rupal V. Mafatlal	-	-	1,203,465	8.65

**d. In terms of Modified Scheme (MS) approved by BIFR in June 2009, 600,00,000 Fully Redeemable Non-Cumulative Preference Shares of ₹ 10/- each were redeemable over a period of eight years as a subordinated liability to the dues of workers, statutory agencies and the secured creditors. Preference shares redeemed by the Company during the period of five years immediately preceding the reporting date:**

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

	Nos.	(₹ in lakhs)
As at 31st March, 2017	60,000,000	6,000.00
As at 31st March, 2016	60,000,000	6,000.00
As at 31st March, 2015	60,000,000	6,000.00
As at 31st March, 2014	60,000,000	6,000.00
As at 31st March, 2013	30,000,000	3,000.00

**e. Aggregate number of Equity shares issued for consideration other than cash during five years immediately preceding the reporting date:**

- During the year 2010-11, 300,00,000 Optionally Convertible Fully Redeemable Non-Cumulative Preference Shares of ₹10/- each were converted into 48,13,860 Equity shares of ₹10/- each of the Company at a premium of ₹52.32 per equity share.
- During the year 2013-14, 40,99,415 Equity shares of ₹ 10/- each fully paid-up have been issued to shareholders of erstwhile MafatlalDenim Limited, as consideration on merger with the Company.

**f. Calls unpaid (by other than officers and directors)**

	As at 31st March, 2017 (₹ in lakhs)	As at 31st March, 2016 (₹ in lakhs)
Calls Unpaid	0.06	0.06

- g. 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.

## 4 RESERVES AND SURPLUS

	As at 31st March, 2017	(₹ in lakhs) As at 31st March, 2016
<b>(a) Capital Reserve no. 1</b>		
Opening balance	61.16	61.16
<b>(b) Capital Reserve no. 2</b>		
Opening balance	41.62	41.62
<b>(c) Capital Reserve on Amalgamation</b>		
Opening balance	3,634.48	3,634.48
<b>(d) Capital Redemption Reserve</b>		
Opening balance	8,383.14	8,383.14
<b>(e) Securities Premium Account</b>		
Opening balance	17,452.07	17,452.07
<b>(f) Capital Investment Reserve:</b>		
(Non-taxable excess of sale proceeds over book value)		
Opening balance	75.96	75.96
<b>(g) Investment Reserve:</b>		
(Taken over from Mafatlal Gagalbhai and Company Private Limited from 01-04-1972 on Amalgamation)		
Opening balance	1.78	1.78
<b>(h) Export Profit Reserve</b>		
(Taken over from erstwhile The Mafatlal Fine Spinning and Manufacturing Co. Ltd. on amalgamation)		
Opening balance	20.00	20.00
<b>(i) General Reserve</b>		
Opening balance	620.00	620.00

**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017**

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
<b>(j) Surplus in the Statement of Profit and Loss</b>		
Opening balance	5,912.58	4,702.56
<b>Add:</b> Profit for the year	(214.53)	1,712.38
	<b>5,698.05</b>	<b>6,414.94</b>
<b>Less: Appropriations</b>		
Dividends proposed to be distributed to equity shareholders	-	(417.39)
[Dividend per Share ₹ 3/- in the Previous year] (Refer Note no. 31.12)		
Tax on Dividend	-	(84.97)
<b>Total appropriations</b>	-	<b>(502.36)</b>
<b>Closing balance</b>	<b>5,698.05</b>	<b>5,912.58</b>
<b>Total</b>	<b>35,988.26</b>	<b>36,202.79</b>

**5 LONG-TERM BORROWINGS**

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
<b>Term Loans</b>		
From Banks - Secured [Refer Note no.(ii)]	8,558.64	6,070.89
From Banks - Secured - Loan for Vehicles [Refer Note no.(iii)]	84.00	115.83
From Others - Secured [Refer Note no.(iv)]	1,137.01	401.84
<b>Other Loans and advances</b>		
Unsecured Loans from Others	-	-
<b>Total</b>	<b>9,779.65</b>	<b>6,588.56</b>

(i) For Current maturities of Long Term Borrowings; Refer Note No.11(a) - Other Current Liabilities.

- (ii) (a) Term loans of ₹ 909.15 lakhs (Previous year ₹ 1,764.15 lakhs) from a bank are repayable in quarterly installments till March 2018. These loans are secured by a pari-passu mortgage / hypothecation charge on certain fixed assets, including leasehold land and hypothecation charge on certain current assets of the Company and pledge by promoters / promoter companies of certain shareholding in the Company. The loans carry interest linked to the lenders' Marginal Cost of funds based Lending Rate (MCLR). The effective rate of interest for the year was in the range of 14.00% to 14.25% p.a. (Previous year 14.25% to 14.90% p.a.).
- (b) Term loan of ₹ 4,440.00 lakhs (Previous year ₹ 536.47 lakhs) from a bank are repayable in quarterly installments beginning from June 2017, till May 2022 after a moratorium period of 15 months. The loan is secured by mortgage / hypothecation charge on certain Fixed Assets and pari-passu second charge on certain current assets of the Company. The loan carry interest linked to the lenders' PLR. The effective rate of interest for the year was 12.25% p.a. (Previous year 12.25% p.a.).
- (c) Term loan of ₹ 2,208.33 lakhs (Previous year ₹ 2,499.99 lakhs) from a bank is repayable in monthly installments beginning from September, 2016 till August, 2021 after a moratorium period of 24 months. The loan is secured by mortgage / hypothecation charge on certain Fixed Assets and pledge of Equity shares owned by the Company. The loan carry interest linked to the lenders' Prime Lending Rates. The effective rate of interest for the year was in the range of 12.50% to 14.25% p.a. (Previous year 14.25% to 14.50% p.a.).
- (d) Term loan of ₹ 2,333.59 lakhs (Previous year ₹ 2,457.63 lakhs) from a bank is repayable in monthly installments beginning from December, 2016 till December, 2021 after a moratorium period of 24 months. The loan is secured by mortgage / hypothecation charge on certain Fixed Assets and second charge on certain current assets of the Company. The loan carry interest linked to the lenders' Prime Lending Rates. The effective rate of interest for the year was in the range of 12.25% to 12.50% p.a. (Previous year 12.50% to 13.50% p.a.).
- (e) Term loan of ₹ 1,572.78 lakhs (Previous year ₹ Nil) from a bank are repayable in monthly installments beginning from July 2016, till June 2025. The loan is secured by mortgage / hypothecation charge on certain Fixed Assets and pari-passu second charge on certain current assets of the Company. The loan carry interest linked to the lenders' MCLR. The effective rate of interest for the year was 10.75% p.a. (Previous year N.A.).



## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

- (iii) Loans for Vehicles from Banks is repayable in monthly installments and the same is secured by hypothecation of respective vehicles. 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.).
- (iv) (a) Term loan of ₹ 239.25 lakhs (Previous year ₹ 464.25 lakhs) from a Financial Institution is repayable in quarterly installments till March, 2018. The loan is secured by a pari-passu mortgage / hypothecation charge on the Company's certain Fixed Assets, including leasehold land and hypothecation charge on certain current assets of the Company and pledge by promoters / promoter companies of certain shareholding in the Company. The loan carry an interest linked to the lenders' Prime Lending Rates. The effective rate of interest for the current year was in the range of 12.45% to 12.70% p.a. (Previous year 12.70% to 13.25% p.a.).
- (b) Term loan of ₹ 162.59 lakhs (Previous year ₹ 315.50 lakhs) from a Financial Institution is repayable in quarterly installments till March, 2018. The loan is secured by pari-passu hypothecation charge on certain current assets of the Company and pledge by promoters / promoter companies of certain shareholding in the Company. The loan carries interest @ 12.45% to 12.70% p.a. (Previous year 12.70% to 13.25% p.a.).
- (c) Term loan of ₹ 1,437.01 lakhs (Previous year ₹ Nil) from a Financial Institution is repayable in quarterly installments beginning from June 2017 till March, 2022 after a moratorium period of 12 months. The loan is secured by mortgage / hypothecation charge on certain fixed assets of the Company. The loan carries interest @ 11.75% to 12.00% p.a. (Previous year N.A.).

### 6 DEFERRED TAX LIABILITIES (NET)

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	4,645.81	3,363.86
<b>Tax effect of items constituting deferred tax liability</b>	<b>4,645.81</b>	<b>3,363.86</b>
Tax effect of items constituting deferred tax assets		
Provision for doubtful debts / advances and lease equalisation reserve (net)	60.62	37.67
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	594.46	712.93
Unabsorbed carried forward depreciation	3,990.73	2,136.09
<b>Tax effect of items constituting deferred tax assets</b>	<b>4,645.81</b>	<b>2,886.69</b>
<b>Net deferred tax liability (net)</b>	<b>-</b>	<b>477.17</b>

### 7 OTHER LONG-TERM LIABILITIES

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
(i) Trade / Security deposits received	183.35	249.85
(ii) Interest accrued on others (Refer Note no.31.5)	172.74	109.06
<b>Total</b>	<b>356.09</b>	<b>358.91</b>

### 8 LONG-TERM PROVISIONS

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
<b>Provision for employee benefits</b>		
(i) Provision for Compensated absences (Refer Note no. 32.4)	452.93	483.12
<b>Total</b>	<b>452.93</b>	<b>483.12</b>

**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017****9 SHORT-TERM BORROWINGS**

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
Loans repayable on demand		
From Banks		
Secured * - Overdraft facility from Banks; (i)	-	7,529.39
Secured ** - Cash credit from Banks; (ii)	10,972.16	6,694.10
<b>Total</b>	<b>10,972.16</b>	<b>14,223.49</b>

\* Secured against Fixed Deposits of ₹Nil, (Previous year: ₹8,354.30 lakhs, last date of maturity 15th March, 2017).

\*\* Cash credit facility are secured by hypothecation of certain stocks and book debts, both present and future, of the Company, second charge on certain Fixed Assets of the Company and pledge of investments held by the Company. The cash credit is repayable on demand and carry an interest @ 12.00% to 14.00% p.a. (Previous year 12.00% to 14.10% p.a.).

**10 TRADE PAYABLES**

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
(a) Total outstanding dues of micro enterprises and small enterprises	30.08	83.11
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	25,760.04	27,230.40
(c) Total outstanding dues of creditors other than micro enterprises and small enterprises - Share of Jointly Controlled Entity	58.97	20.91
<b>Total</b>	<b>25,849.09</b>	<b>27,334.42</b>

**11 OTHER CURRENT LIABILITIES**

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
(a) Current maturities of long-term debt (Refer Note No. 5 - Long Term Borrowings for details of securities)		
(i) From Banks - Secured	2,905.21	1,187.35
(ii) From Banks - Secured Loans for Vehicles	35.06	47.92
(iii) From Financial Institutions - Secured	701.84	377.91
(b) Interest accrued but not due on borrowings	134.87	91.62
(c) Unclaimed dividends	28.69	20.66
(d) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	634.25	611.77
(ii) Interest accrued on other than borrowings	338.63	711.70
(iii) Trade / security deposits received	51.95	48.35
(iv) Advances from customers	1,907.12	365.09
(v) Other advances (Refer Note no. 31.5)	577.89	577.89
(vi) Others (including dues for Voluntary Retirement Scheme, electricity dues, etc.)	488.47	433.02
(vii) Lease rent / utilities equilisation on expense	96.61	98.01
<b>Total</b>	<b>7,900.59</b>	<b>4,571.29</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### 12 SHORT-TERM PROVISIONS

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
<b>(a) Provision for employee benefits</b>		
(i) Provision for Compensated absences (Refer Note no.32.4)	183.86	139.92
(ii) Provision for Gratuity (Refer Note no. 32.4)	203.18	126.44
	<b>387.04</b>	<b>266.36</b>
<b>(b) Provisions - Others</b>		
(i) Provision for tax (net of advance tax ₹ 1,671.91 lakhs (As at 31st March, 2016 ₹1,290.75 lakhs) )	728.28	754.00
(ii) Provision for Fringe Benefit Tax (net of advance tax ₹39.05 lakhs (As at 31st March, 2016 ₹39.05 lakhs))	0.40	0.40
(iii) Provision for Wealth Tax (net)	0.11	0.11
(iv) Provision for Proposed Equity dividend (Refer Note no. 31.12)	-	417.39
(v) Provision for tax on Proposed dividend (Refer Note no. 31.12)	-	84.97
	<b>728.79</b>	<b>1,256.87</b>
<b>Total</b>	<b>1,115.83</b>	<b>1,523.23</b>

### Note 13a Fixed assets

(₹ in lakhs)

	Tangible assets		Gross block					Balance as at 31st March, 2017
		Balance as at 1st April, 2016	Additions	Disposals	Effect of foreign currency exchange differences	Reclassified as held for sale	Other adjustments	
<b>(a) Land</b>								
Freehold		21.08	-	-	-	-	-	21.08
(Previous year)		(21.08)	-	-	-	-	-	(21.08)
Leasehold		0.08	-	-	-	-	-	0.08
(Previous year)		(0.08)	-	-	-	-	-	(0.08)
		21.16	-	-	-	-	-	21.16
(Previous year)		(21.16)	-	-	-	-	-	(21.16)
<b>(b) Buildings</b>								
Own use		5,096.86	280.93	53.76	-	-	-	5,324.03
(Previous year)		(4,740.22)	(379.37)	(22.73)	-	-	-	(5,096.86)
Given under operating lease		63.60	-	-	-	-	-	63.60
(Previous year)		(63.60)	-	-	-	-	-	(63.60)
		5,160.46	280.93	53.76	-	-	-	5,387.63
(Previous year)		(4,803.82)	(379.37)	(22.73)	-	-	-	(5,160.46)
<b>(c) Plant and Equipment</b>								
Owned		46,521.01	9,915.28	780.63	-	-	-	55,655.66
(Previous year)		(43,371.45)	(6,174.99)	(3,025.43)	-	-	-	(46,521.01)
		46,521.01	9,915.28	780.63	-	-	-	55,655.66
(Previous year)		(43,371.45)	(6,174.99)	(3,025.43)	-	-	-	(46,521.01)
<b>(d) Furniture and Fixtures</b>								
Owned		811.65	48.63	34.27	-	-	-	826.01
(Previous year)		(527.84)	(293.06)	(9.32)	(0.07)	-	-	(811.65)
		811.65	48.63	34.27	-	-	-	826.01
(Previous year)		(527.84)	(293.06)	(9.32)	(0.07)	-	-	(811.65)

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

	Tangible assets	Gross block						
		Balance as at 1st April, 2016	Additions	Disposals	Effect of foreign currency exchange differences	Reclassified as held for sale	Other adjustments	Balance as at 31st March, 2017
(e)	Vehicles							
	Owned	462.13	14.29	64.42	-	-	-	412.00
	(Previous year)	(428.19)	(121.64)	(87.70)	-	-	-	(462.13)
		462.13	14.29	64.42	-	-	-	412.00
	(Previous year)	(428.19)	(121.64)	(87.70)	-	-	-	(462.13)
(f)	Office equipment							
	Owned	784.11	66.68	126.92	-	-	-	723.87
	(Previous year)	(695.23)	(96.62)	(7.74)	-	-	-	(784.11)
		784.11	66.68	126.92	-	-	-	723.87
	(Previous year)	(695.23)	(96.62)	(7.74)	-	-	-	(784.11)
(g)	Leasehold improvements							
	Owned	256.82	-	-	-	-	-	256.82
	(Previous year)	(256.82)	-	-	-	-	-	(256.82)
		256.82	-	-	-	-	-	256.82
	(Previous year)	(256.82)	-	-	-	-	-	(256.82)
(h)	Railway sidings							
	Owned	2.70	-	-	-	-	-	2.70
	(Previous year)	(2.70)	-	-	-	-	-	(2.70)
		2.70	-	-	-	-	-	2.70
	(Previous year)	(2.70)	-	-	-	-	-	(2.70)
	Total	54,020.04	10,325.81	1,060.00	-	-	-	63,285.85
	(Previous year)	(50,107.21)	(7,065.68)	(3,152.92)	(0.07)	-	-	(54,020.04)

## Note 13a Fixed assets (contd.)

(₹ in lakhs)

	Tangible assets	Accumulated depreciation and impairment				Net block		
		Balance as at 1st April, 2016	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31st March, 2017	Balance as at 31st March, 2017	Balance as at 31st March 2016
(a) Land								
	Freehold	-	-	-	-	-	21.08	21.08
	(Previous year)	-	-	-	-	-	(21.08)	
	Leasehold	-	-	-	-	-	0.08	0.08
	(Previous year)	-	-	-	-	-	(0.08)	
		-	-	-	-	-	21.16	21.16
	(Previous year)	-	-	-	-	-	(21.16)	-
(b) Buildings								
	Own use	2,287.50	101.43	53.96	-	2,334.97	2,989.06	2,809.25
	(Previous year)	(2,206.89)	(103.45)	(22.73)	-	(2,287.61)	(2,809.25)	
	Given under operating lease	17.31	1.01	-	-	18.32	45.28	46.29
	(Previous year)	(16.31)	(1.00)	-	-	(17.31)	(46.29)	
		2,304.81	102.44	53.96	-	2,353.29	3,034.34	2,855.54
	(Previous year)	(2,223.20)	(104.45)	(22.73)	-	(2,304.92)	(2,855.54)	

**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017**

	Tangible assets	Accumulated depreciation and impairment				Net block		
		Balance as at 1st April, 2016	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31st March, 2017	Balance as at 31st March, 2017	Balance as at 31st March 2016
(c)	Plant and Equipment							
	Owned	29,271.25	2,353.47	764.85	-	30,859.87	24,795.79	17,249.76
	(Previous year)	(30,434.77)	(1,785.55)	(2,949.07)	-	(29,271.25)	(17,249.76)	
		29,271.25	2,353.47	764.85	-	30,859.87	24,795.79	17,249.76
	(Previous year)	(30,434.77)	(1,785.55)	(2,949.07)	-	(29,271.25)	(17,249.76)	-
(d)	Furniture and Fixtures							
	Owned	280.17	63.29	32.23	-	311.23	514.78	531.48
	(Previous year)	(236.81)	(48.31)	(4.95)	-	(280.17)	(531.48)	
		280.17	63.29	32.23	-	311.23	514.78	531.48
	(Previous year)	(236.81)	(48.31)	(4.95)	-	(280.17)	(531.48)	-
(e)	Vehicles							
	Owned	151.03	51.58	39.49	-	163.12	248.88	311.09
	(Previous year)	(133.98)	(51.87)	(34.82)	-	(151.03)	(311.10)	
		151.03	51.58	39.49	-	163.12	248.88	311.09
	(Previous year)	(133.98)	(51.87)	(34.82)	-	(151.03)	(311.10)	-
(f)	Office equipment							
	Owned	627.38	65.39	120.00	-	572.77	151.10	156.73
	(Previous year)	(572.23)	(61.86)	(6.71)	-	(627.38)	(156.73)	
		627.38	65.39	120.00	-	572.77	151.10	156.73
	(Previous year)	(572.23)	(61.86)	(6.71)	-	(627.38)	(156.73)	-
(g)	Leasehold improvements							
	Owned	107.82	30.26	-	-	138.08	118.74	149.00
	(Previous year)	(77.56)	(30.26)	-	-	(107.82)	(149.00)	
		107.82	30.26	-	-	138.08	118.74	149.00
	(Previous year)	(77.56)	(30.26)	-	-	(107.82)	(149.00)	-
(h)	Railway sidings							
	Owned	2.57	-	-	-	2.57	0.13	0.13
	(Previous year)	(2.57)	-	-	-	(2.57)	(0.13)	
		2.57	-	-	-	2.57	0.13	0.13
	(Previous year)	(2.57)	-	-	-	(2.57)	(0.13)	-
	Total	32,745.03	2,666.43	1,010.53	-	34,400.93	28,884.92	21,274.89
	(Previous year)	(33,681.12)	(2,082.30)	(3,018.28)	-	(32,745.14)	(21,274.90)	

Note:

- Building include ₹12.86 lakhs (Previous year ₹12.86 lakhs) being the cost of ownership premises in a co-operative society, including cost of shares received for the face value of ₹2500/-, under the bye-laws of the society.
- The Company is in process of getting expired leases renewed.

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

## Note 13b Fixed assets

(₹ in lakhs)

	Intangible assets	Gross block						Balance as at 31st March, 2017
		Balance as at 1st April, 2016	Additions	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	
(a)	Computer software							
	Owned	146.94	28.66	-	-	-	-	<b>175.60</b>
	(Previous year)	(132.99)	(13.95)	-	-	-	-	<b>(146.94)</b>
	<b>Total</b>	<b>146.94</b>	<b>28.66</b>	-	-	-	-	<b>175.60</b>
	(Previous year)	(132.99)	(13.95)	-	-	-	-	<b>(146.94)</b>

(₹ in lakhs)

	Intangible assets	Accumulated depreciation and impairment				Net block		
		Balance as at 1st April, 2016	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31st March, 2017	Balance as at 31st March, 2017	Balance as at 31st March, 2016
(a)	Computer software							
	Owned	78.25	35.28	-	-	<b>113.53</b>	<b>62.07</b>	68.69
	(Previous year)	(45.27)	(32.98)	-	-	<b>(78.25)</b>	<b>(68.69)</b>	-
	<b>Total</b>	<b>78.25</b>	<b>35.28</b>	-	-	<b>113.53</b>	<b>62.07</b>	<b>68.69</b>
	(Previous year)	(45.27)	(32.98)	-	-	(78.25)	(68.69)	

## 14 INVESTMENTS (LONG-TERM)

Non Current Investments	As at 31st March , 2017		As at 31st March , 2016	
	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)
a) Investment Properties		<b>41.98</b>		45.86
b) Equity Instruments		<b>5,596.98</b>		4,593.84
Less : Share of Losses in Associates		-		4,593.84
c) Government Securities		<b>2.89</b>		2.89
d) Debentures and Bonds		<b>20.50</b>		20.50
e) Mutual Funds		-		-
Less : Provision for Diminution		<b>(20.50)</b>		(20.50)
		<b>5,641.85</b>		<b>4,642.59</b>

(₹ in lakhs)

	Cost	Market Value
Aggregate value of quoted investments	<b>5,536.87</b>	<b>24,597.73</b>
	4,553.81	13,981.76
Aggregate value of unquoted investments	<b>104.98</b>	
	88.78	
<b>Total</b>	<b>5,641.85</b>	
	4,642.59	

Figures in italics are as at 31st March, 2016

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### Note: 1

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
<b>Investment in Properties</b>		
<b>Gross Block</b>		
Balance as per last Balance Sheet	72.61	72.61
Less: Deduction during the year	-	-
	72.61	72.61
<b>Less : Accumulated Depreciation</b>		
Balance as per last Balance Sheet	26.75	22.87
Add: Depreciation for the year	3.88	3.88
	30.63	26.75
<b>Net Block</b>	41.98	45.86

### 15 LONG-TERM LOANS AND ADVANCES

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
<b>(a) Capital advances</b>		
Unsecured, considered good	103.66	1,452.58
<b>(b) Security deposits</b>		
Unsecured, considered good	528.37	807.99
<b>(c) Loans and advances to related parties ( Refer Note no. 32.5 ) (See note below)</b>		
Unsecured, considered good	180.63	336.19
<b>(d) Prepaid expenses - Unsecured, considered good (Insurance premium, Annual maintenance contracts, etc.)</b>	2.15	1.51
<b>(e) Advance income tax (net of provisions ₹ 12,596.65 lakhs (As at 31st March, 2016 ₹ 12,596.65 lakhs)) - Unsecured, considered good</b>	2,161.92	1,834.66
<b>(f) MAT credit entitlement</b>	1,231.00	1,231.00
<b>(g) Balances with government authorities</b>		
Unsecured, considered good		
(i) CENVAT credit receivable	133.32	133.26
(ii) VAT credit receivable	8.67	8.67
(iii) Service Tax credit receivable	248.54	254.35
(iv) Deposit with Excise authorities in Escrow account	232.28	232.31
	622.81	628.59
Unsecured, considered doubtful		
Deposit with Excise authorities	31.45	31.45
Less: Provision for doubtful loans and advances	(31.45)	(31.45)
	622.81	628.59
<b>(h) Other loans and advances</b>		
Unsecured, considered good		
(i) Deposits recoverable from parties	40.84	9.33
(ii) Lease rent / utilities equalisation of Income	56.41	39.53
(iii) Others	155.56	-
	252.81	48.86
<b>Total</b>	5,083.35	6,341.38



**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017**

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
Note: Long-term loans and advances include amount due from:		
Private companies in which atleast one of the directors is a director or member:		
Mafatlal Impex Private Limited	-	155.56
Suremi Trading Private Limited	84.76	84.76
Sukarma Investments Private Limited	95.87	95.87
<b>Total</b>	<b>180.63</b>	<b>336.19</b>

**16 OTHER NON CURRENT ASSETS**

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
<b>(a) Accruals</b>		
(i) Interest accrued on deposits	3.91	3.91
(ii) Interest accrued on loans to staff	-	-
<b>(b) Others</b>		
(i) Balances with Banks in earmarked accounts (Refer Note no. 31.5)	732.14	674.39
<b>Total</b>	<b>736.05</b>	<b>678.30</b>

**17 CURRENT INVESTMENT (At lower of Cost and Market Value)**

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
118,389 Equity shares of ₹10/- each of Navin Fluorine International Limited (Quoted) (Aggregate Market Value of ₹3,603.41 lakhs)	419.57	-
<b>Total</b>	<b>419.57</b>	<b>-</b>

**18 INVENTORIES (at lower of cost and net realisable value)**

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
(a) Raw materials	1,834.32	1,793.52
(b) Work-in-progress	7,435.11	6,780.23
(c) Finished goods (Other than those acquired for trading)	5,450.92	4,616.12
(d) Stock in trade (Acquired for trading)	2,549.22	1,333.40
(e) Stores and spares	742.36	725.14
(f) Others (Land) (Refer Note no. 31.10)	61.97	61.97
<b>Total</b>	<b>18,073.90</b>	<b>15,310.38</b>
<b>Note: Details of Inventories of Work-in-Progress:</b>		
Cotton & Fibre	406.88	323.41
Yarn	2,416.12	2,857.77
Fabrics	4,612.11	3,599.05
Others	-	-
	<b>7,435.11</b>	<b>6,780.23</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### 19 TRADE RECEIVABLES

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
<b>Outstanding for a period exceeding six months from the date they were due for payment</b>		
Unsecured, considered good	6,014.62	1,931.92
Doubtful	175.15	105.63
	6,189.77	2,037.55
<b>Less: provision for doubtful trade receivables</b>	(175.15)	(105.63)
	6,014.62	1,931.92
<b>Other Trade receivables</b>		
Trade receivables - Share of jointly controlled entity considered good	5.79	5.64
Unsecured, considered good	22,102.00	29,255.79
	22,107.79	29,261.43
<b>Total</b>	28,122.41	31,193.35
Includes debts dues from:-		
Private companies in which atleast one of the directors is a director or member:		
Cebon Apparel Private Limited	-	13.23
Tropical Clothing Company Private Limited	-	9.64
<b>Total</b>	-	22.87

### 20 CASH AND BANK BALANCES

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
<b>A Cash and Cash equivalents (As per AS-3 Cash Flow Statements)</b>		
(a) Cash on hand	21.18	16.28
(b) Cheques on hand	50.14	7.44
(c) Balances with banks:		
(i) In Current accounts	679.46	553.69
(ii) In deposit accounts - Original maturity of 3 months or less	10.00	7.10
<b>Total - Cash and cash equivalents (As per AS-3 Cash Flow Statements) (A)</b>	760.78	584.51
<b>B Other Bank Balances</b>		
(i) <b>In Other deposit accounts</b> - original maturity more than 3 months (Refer note ii(a))	202.00	55.40
(ii) <b>In earmarked accounts</b>		
(a) Balances held as margin money or security against borrowings, guarantees and other commitments (Refer note ii (b))	703.99	940.28
(b) Unclaimed dividend accounts	28.69	20.66
<b>Other earmarked accounts</b>		
(iii) <b>Others</b>		
-Balance in Fixed Deposits (earmarked for Overdraft Facility)	-	8,354.30
-Balance in Escrow Current account (Refer Note (i) below)	1.87	1.87
<b>Total - Other bank balances (B)</b>	936.55	9,372.51
<b>Total Cash and bank balances (A+B)</b>	1,697.33	9,957.02

**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017****Notes:**

- (i) Balance in Escrow Current account is operated under the supervision of Monitoring Committee constituted by the Government of Maharashtra, under Development Control Regulations, 1991.
- (ii) (a) Bank deposits with more than 12 months maturity from Balance Sheet date is ₹9.50 lakhs (Previous year ₹10.00 lakhs).  
 (b) Includes balances with more than 12 months maturity from Balance Sheet date is ₹219.43 lakhs (Previous year ₹190.65 lakhs).

**21 SHORT TERM LOANS AND ADVANCES**

	As at 31st March, 2017	As at 31st March, 2016
<b>(a) Security deposits</b>		
(i) Unsecured, considered good	292.17	198.04
(ii) Unsecured, considered good - Share of jointly controlled entity	9.82	3.17
	<b>301.99</b>	<b>201.21</b>
<b>(b) Loans and advances to employees</b>		
Unsecured, considered good	12.69	11.05
<b>(c) Prepaid expenses</b>		
Unsecured, considered good	266.02	159.01
<b>(d) Balances with government authorities</b>		
Unsecured, considered good		
(i) Sales Tax receivable	19.26	40.15
(ii) Export Benefit receivable	1,075.02	787.77
(iii) Interest subsidy receivable (TUFS)	739.02	482.92
	<b>1,833.30</b>	<b>1,310.84</b>
<b>(e) Others</b>		
Unsecured, considered good		
(i) Trade advances	1,696.25	632.82
(ii) Trade advances - Share of jointly controlled entity	-	5.39
	<b>1,696.25</b>	<b>638.21</b>
<b>Total</b>	<b>4,110.25</b>	<b>2,320.32</b>
<b>Note:</b>		
Loans and advances in the nature of loans, due from :		
Staff (interest bearing)	12.69	11.05
Maximum amount outstanding during the year	13.99	24.30

**22 OTHER CURRENT ASSETS**

	As at 31st March, 2017	As at 31st March, 2016
<b>a) Unamortised Premium</b>	-	7.22
<b>b) Accruals</b>		
(i) Interest accrued on deposits with banks	193.40	431.32
(ii) Interest accrued on deposits with others	7.29	12.47
(iii) Interest accrued on loans to staff	0.38	0.37
<b>Total</b>	<b>201.07</b>	<b>451.38</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### 23 REVENUE FROM OPERATIONS

(₹ in lakhs)

	Current year	Previous year
(a) Sale of products ( Refer note (Ia) & (Ib) below )	124,192.10	129,498.17
(b) Other operating revenues ( Refer note (II) below )	2,830.18	2,810.57
<b>Revenue from operations</b>	<b>127,022.28</b>	<b>132,308.74</b>
<b>Note:</b>		
<b>I Sale of products comprises:</b>		
<b>a Manufactured goods</b>		
Cloth	71,808.01	64,690.13
Yarn	1,883.04	644.06
Garments	-	13.59
	<b>73,691.05</b>	<b>65,347.78</b>
<b>b Traded goods</b>		
Textile	44,771.61	61,898.90
Others	5,729.44	2,251.49
<b>Total - Sale of Traded goods</b>	<b>50,501.05</b>	<b>64,150.39</b>
<b>Total - Sale of Products (a + b)</b>	<b>124,192.10</b>	<b>129,498.17</b>
<b>II Other operating revenues</b>		
Income from waste / scrap sale	363.83	593.38
Processing charges	144.78	126.95
Duty drawback and other export incentives	1,095.01	762.19
Rental income from investment property	477.04	467.49
Utility / business service / air-conditioning charges and other receipts	749.52	860.56
<b>Total</b>	<b>2,830.18</b>	<b>2,810.57</b>

### 24 OTHER INCOME

(₹ in lakhs)

	Current year	Previous year
Interest income (Refer note 1, below)	332.58	964.71
Dividend income from long term investments	326.99	272.72
Net gain on sale of long term investments	-	77.00
Net gain on foreign currency transaction and translation	(3.53)	188.90
Other non-operating income (Refer note 2, below)	390.62	654.79
Recovery of expenses incurred	26.62	14.74
<b>Total</b>	<b>1,073.28</b>	<b>2,172.86</b>
<b>Notes:</b>		
<b>1 Interest income comprises:</b>		
Interest from banks on deposits	239.44	898.24
Interest on IT refund	36.54	-
Other interest	56.60	66.47
<b>Total</b>	<b>332.58</b>	<b>964.71</b>
<b>2 Other non-operating income:</b>		
Miscellaneous income	225.49	196.85
Profit on sale of fixed assets	123.15	414.13
Liabilities / Provisions no longer required	41.98	43.81
<b>Total</b>	<b>390.62</b>	<b>654.79</b>

**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017****25 (a) COST OF MATERIALS CONSUMED**

(₹ in lakhs)

	Current year	Previous year
Opening stock	1,793.52	1,147.22
Add: Purchases	37,221.80	30,631.55
Less: Closing stock	1,834.32	1,793.52
<b>Cost of materials consumed</b>	<b>37,181.00</b>	<b>29,985.25</b>
<b>Materials consumed comprises:</b>		
Cotton & Fibre	15,080.72	14,887.16
Yarn	11,036.82	9,651.18
Fabrics	8,545.35	3,857.93
Others	2,518.11	1,588.98
<b>Total</b>	<b>37,181.00</b>	<b>29,985.25</b>

**25 (b) PURCHASE OF TRADED GOODS**

(₹ in lakhs)

	Current year	Previous year
Textile	42,305.82	56,834.99
Others	5,222.93	2,037.12
Textile -Share of jointly controlled entity	-	-
<b>Total</b>	<b>47,528.75</b>	<b>58,872.11</b>

**25 (c) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

(₹ in lakhs)

	Current year	Previous year
<b>Inventories at the end of the period</b>		
Finished goods	5,450.92	4,616.12
Work-in-progress	7,435.11	6,780.23
Stock-in-trade (Traded goods)	2,549.22	1,333.40
	<b>15,435.25</b>	<b>12,729.75</b>
<b>Inventories at the beginning of the period</b>		
Finished goods	4,616.12	2,279.07
Work-in-progress	6,780.23	6,729.27
	<b>11,396.35</b>	<b>9,008.34</b>
Stock in trade (Traded goods)	1,333.40	1,308.36
	<b>12,729.75</b>	<b>10,316.70</b>
<b>Net increase</b>	<b>2,705.50</b>	<b>2,413.05</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### 26 EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

	Current year	Previous year
Salaries and wages	11,270.98	10,758.64
Contributions to provident and other funds (Refer Note no.32.4)	857.01	809.63
Gratuity expenses	210.06	203.00
Staff welfare expenses	452.82	406.81
<b>Total</b>	<b>12,790.87</b>	<b>12,178.08</b>

### 27 FINANCE COSTS (NET)

(₹ in lakhs)

	Current year	Previous year
<b>(a) Interest expense on:</b>		
(i) Borrowings (Refer Note no. 1 and 2)	2,308.13	1,794.36
(ii) Trade payables	199.13	150.02
(iii) Others (Includes charges for bills discounting, interest on service tax and excise etc.)	29.71	66.57
<b>(b) Other borrowing costs:</b>	<b>83.17</b>	<b>105.17</b>
<b>Total</b>	<b>2,620.14</b>	<b>2,116.12</b>

#### Note no. 1

The interest subsidy for the year on the Term Loans availed under the Technology Upgradation Fund Scheme (TUFS) is ₹ 285.62 lakhs (Previous year ₹ 262.73 lakhs) and the same has been netted off from interest expense.

#### Note no. 2

Finance costs are net of ₹ 473.47 lakhs (Previous year ₹ 175.92 lakhs) capitalised in fixed assets and CWIP - (Refer Note no. 31.9).

### 28 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in lakhs)

	Current year	Previous year
(Refer note 13a, 13b and 14 )		
Depreciation on tangible assets	2,668.45	2,082.32
Amortisation on intangible assets	33.26	32.98
Depreciation on investment property	3.88	3.88
<b>Total</b>	<b>2,705.59</b>	<b>2,119.18</b>

### 29 OTHER EXPENSES

(₹ in lakhs)

	Current year	Previous year
Consumption of stores and spare parts	9,752.26	10,165.42
Processing charges	2,318.81	2,716.17
Power and fuel	8,746.88	8,802.32
Repairs and maintenance -Buildings	105.71	198.62
Repairs and maintenance -Machinery	296.49	275.54
Repairs and maintenance - Others	27.76	34.74
Insurance	108.32	86.76
Lease rent (Refer Note no. 32.1)	360.69	394.42
Rates and taxes (including wealth tax ₹1.81 lakhs of earlier years (Previous year ₹3.00 lakhs))	307.28	263.05

**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017**

(₹ in lakhs)

	Current year	Previous year
Commission, brokerage and discount	2,153.09	2,090.86
Transport and freight charges (net)	652.29	623.85
Expenditure on corporate social responsibility	26.81	35.84
Donations and contributions	0.75	2.83
Debit balance of creditors written off	-	1.42
Bad trade and other receivables / loans and advances written off (net)	55.24	20.25
Long term investments written off	-	-
Provision for doubtful trade receivables and loans & advances (net)	69.52	18.46
Provision for diminution in the value of long term Investments	-	-
Loss on fixed assets sold / scrapped / written off	3.85	50.07
Legal and professional fees	965.20	542.69
Payments to auditors (Refer note (I) below)	71.01	64.21
Director's fees	32.20	24.00
Miscellaneous expenses	3,482.19	3,328.51
Miscellaneous expenses - Share of jointly controlled entity	-	-
<b>Total</b>	<b>29,536.35</b>	<b>29,740.03</b>

**Note:****(I) Payments to auditors (excluding service tax)**

(₹ in lakhs)

	Current year	Previous year
<b>Statutory Auditors</b>		
Audit fees	37.15	34.15
For taxation matters	-	-
For other services	23.70	23.00
Reimbursement of expenses	1.57	0.41
<b>Total</b>	<b>62.42</b>	<b>57.56</b>
<b>Branch Auditors</b>		
Audit fees	4.68	3.00
For taxation matters	1.15	0.90
For other services	1.27	1.60
Reimbursement of expenses	1.49	1.15
<b>Total</b>	<b>8.59</b>	<b>6.65</b>

**30 EXCEPTIONAL ITEMS**

(₹ in lakhs)

	Current year	Previous year
Profit on sale of long term investment (net)	1,337.09	-
Voluntary Retirement Scheme and old employees settlement	(467.15)	-
<b>Total</b>	<b>869.94</b>	<b>-</b>



## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### Note 31 Additional information to the consolidated financial statements

(₹ in lakhs)		
	As at 31st March, 2017	As at 31st March, 2016
<b>31.1 Contingent liabilities and commitments (to the extent not provided for)</b>		
(a) The Company is contingently liable for :		
i Bills of exchange discounted	773.97	761.97
ii Demands of income-tax authorities disputed in appeals (mainly relate to disallowance of conversion of land to stock in trade, write off of balances of loans & advances, business expenditure, Chapter VIA deductions, etc. (pending before the Commission of Income-tax (Appeals)/ Income-tax Appellate Tribunal))	2,714.99	2,617.89
iii Demands under excise and other proceedings disputed in appeals (mainly relating to matters like differential duty on revision of assessable value of yarn captively consumed, duty on T.C. hard waste, duty on drill etc. (pending at various stages, from Assistant Commissioner to CESTAT))	404.23	2,624.24
iv Disputed demand notice issued by the Commissioner of Central Excise relating to Excise and Service Tax matters (includes penalty). ₹221.32 lakhs paid under protest during the previous year.	2,960.55	2,960.55
v Claims against the Company not acknowledged as debts (mainly relating to dispute on fixed water charges at Navsari Unit, disputed service tax, interest on sales tax)	3.96	24.84
vi Claims made by workers against the Company (mainly relating to matters like termination, compensation etc.)	608.70	1,376.32
vii Demands from Director General of Foreign Trade against Advance License	4.79	4.79
viii The Company is a lessee in respect of the land on which Mafatlal Centre and Mafatlal Chambers is erected. In this regard:	-	-

#### In case of Mafatlal Centre:

A demand for ₹ 2,696.98 lakhs (Previous year ₹ 2,696.98 lakhs) for the period from 2004-07 and 2008-10 has been raised by Brihanmumbai Mahanagarpalika ('BMC') towards Property Taxes in respect of the properties owned by various owners for the respective floors. The demand has been challenged by owners of various floors at appropriate forum and the matter is subjudice. In case the demand is finally upheld, the amount will be paid by the concerned co-owners and the Company will have no additional liability.

#### In case of Mafatlal Chambers:

A demand for ₹ 792.46 lakhs (Previous year ₹ 792.46 lakhs) for the period 2000-05 has been raised by Brihanmumbai Mahanagarpalika ('BMC') towards Property Taxes in respect of the properties owned by the Company at the relevant time. The said demand has been disputed by the company. As per the directions given by the Honourable Bombay High Court, the BMC has granted hearing to the Company and the final outcome is awaited.

In the above matters (i) to (viii), the Company is hopeful of succeeding and as such does not expect any significant liability to crystallize.

Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.

(₹ in lakhs)		
	As at 31st March, 2017	As at 31st March, 2016
(b) Letter of comfort given on behalf of Ibiza Industries Limited (under liquidation since 2007) not considered as Guarantee on legal advice.	850.28	850.28

(₹ in lakhs)		
	As at 31st March, 2017	As at 31st March, 2016
<b>31.2 Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for:-		
Tangible assets	183.77	5,303.48

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### Note 31 Additional information to the consolidated financial statements (contd.)

**31.3** The consolidated financial statements of the Group - Mafatlal Industries Limited ("the parent company-MIL) and its subsidiary and a joint venture have been prepared in accordance with Accounting Standard (AS)-21 on 'Consolidated Financial Statements' and Accounting Standard (AS) -27 on 'Financial Reporting of Interests in Joint Venture'-. The details of such enterprises are as under:

Sr. No.	Subsidiaries – all incorporated in India	% Holding of the Company	Date of Financial Statements	
			Current Year	Previous year
1	Mafatlal Services Limited	88.00%	31st March, 2017	31st March, 2016
2	Ibiza Industries Limited	54.89%	Refer Note (ii) below	Refer Note (ii) below
3	Sunanda Industries Limited	94.00%	Refer Note (ii) below	Refer Note (ii) below

Sr. No.	Joint Venture	% Holding of the Company	Date of Financial Statements	
			Current Year	Previous year
1	Al Fahim Mafatlal Textile LLC, UAE	49.00%	Refer Note (iii) below	Refer Note (iii) below

- (i) There has been no change in the percentage holding of the Company in its 3 subsidiaries existing as at the year ended 31st March 2017.
- (ii) Consequent to Ibiza Industries Limited (IIL) and Sunanda Industries Limited (SIL) which have gone under liquidation in the earlier years, the Company effectively has no control over IIL and SIL. Hence, in accordance with the requirements of AS -21 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 has not been consolidated.
- (iii) In case of Al Fahim Mafatlal Textile LLC, UAE - the joint venture, in the current year and the previous year, the unaudited financial information have been considered for consolidation. In view of the management their operations had no significant impact on the revenue, expenses, assets and liabilities of the Consolidated Financial Statements.

**31.4** The consolidated financial statements of Mafatlal Industries Limited ("the Company")/MIL and its associates have been prepared in accordance with AS-23 on 'Accounting for Investments in Associates on Consolidated Financial Statements'. The details of such associates are as under:

Particulars			Date of Financial Statements	
Sr. No.	Associates – (all incorporated in India unless otherwise stated)	% holding of the Company with its subsidiaries	Current Year	Previous Year
1	Mafatlal Limited (Incorporated in United Kingdom)	29.83%	Refer Note (ii) below	Refer Note (ii) below
2	Mafatlal Engineering Industries Limited	22.18%	Refer Note (ii) below	Refer Note (ii) below
3	Mafatlal Global Apparel Limited (since 29th September 2012)	-		

#### Notes:

- (i) There has been no change in the percentage holding of the Company in its associates existing as at the year end 31st March, 2017. Mafatlal Global Apparel Limited ceases to be an associate with effect from 23rd March, 2015.
- (ii) The financial statements of Mafatlal Limited (UK) and Mafatlal Engineering Industries Limited were not available for consolidation since they are under liquidation. In view of the Management, their operations have no significant impact on the revenue, expenses, assets and liabilities of the Consolidated Financial Statements..
- (iii) The investments of these associates have been reported at Re.1/- as the company's share of losses exceeds the carrying amount of Investments:
- Mafatlal Engineering Industries Limited
  - Mafatlal Limited U.K.
- (iv) The carrying values (A), post acquisition share in reserves and surplus as at the date of the respective financial statements (B), and carrying amount of investments as at the period end (C) are as under (figures in italics are as at previous period end):

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

Sr. No.	Associates – (all incorporated in India unless otherwise stated)	Carrying Values (A)	Post acquisition share in reserves and surplus as at the date of the respective financial statements (B)	Carrying amount of investments as at the year end
1	Mafatlal Limited (Incorporated in United Kingdom)	84.52	(84.52)	-
		84.52	(84.52)	-
2	Mafatlal Engineering Industries Limited	162.44	(162.44)	-
		162.44	(162.44)	-
	<b>Total</b>	<b>246.96</b>	<b>(246.96)</b>	-
		246.96	(246.96)	-

Figures in ( ) represents loss

\* Amount represents full ₹.

**31.5** As legally advised, the Company has not recognized as income recovery of rent and other charges of ₹ 83.61 lakhs upto 31st March, 2017 (₹ 83.61 lakhs upto 31st March, 2016) pending final resolution of legal dispute with certain ex-tenants of a property in South Mumbai. At present, the legal dispute is pending with the Hon'ble Bombay High Court. A sum of ₹ 577.89 lakhs (Net) was withdrawn by the Company in accordance with the Orders passed by the Hon'ble High Court of Bombay on the Civil Revision Applications filed by the ex-tenants and the said amount of ₹ 577.89 lakhs has been included in other current/non-current liabilities (Refer Note no. 7, 11 and Note no. 16).

### 31.6 Details on derivatives instruments and unhedged foreign currency exposures

- I. The following forward contracts positions are open as at 31st March, 2017. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets. The accounting of these transactions is stated in Note (i) of Significant Accounting Policies.

Forward exchange contracts are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

Outstanding forward exchange contracts as on 31st March, 2017

Currency	Amount	Buy / Sell	Cross currency
USD	65,025	Buy	₹
USD	69,700	Sell	₹
USD	(911,092)	Sell	₹

Note: Figures in ( ) relates to the previous year

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

As at 31st March, 2017		As at 31st March, 2016	
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)
<b>Receivable</b>			
2883.43	USD 44.47	1750.77	USD 26.39
-	-	79.25	EURO 1.06
-	-	223.57	JPY 378.54
1.09	AED 0.0615	40.02	AED (DIRHAM) 2.22
-	-	-	-
<b>Payable</b>			
143.10	USD 2.21	201.96	USD 3.06
7.97	EURO 0.11	5.36	EURO 0.07
43.68	GBP 0.54	-	-

**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017****31.7 Details of research and development expenditure recognised as an expense**

(₹ in lakhs)

	Current Year	Previous Year
Employee benefits expense	67.89	60.87
Consumables	6.24	4.37
Repairs and Maintenance	10.98	12.32
<b>Total</b>	<b>85.11</b>	<b>77.56</b>

**31.8** Due to inadequacy of profit, the managerial remuneration aggregating to ₹406.26 lakhs, paid to Shri Aniruddha P. Deshmukh, Managing Director & Chief Executive Officer (Professional Director), Shri Priyavrata H. Mafatlal (Executive Director w.e.f. 1st November, 2016) and Shri Vishad P. Mafatlal, Executive Vice-Chairman upto 19th August, 2016, is in excess of the limits specified under Section 197(1) of the Companies Act, 2013. Though the remuneration is within the limits of Schedule V to the Companies Act, 2013, approval of the shareholders for the excess remuneration paid under Section 197(1) is required at the ensuing General Meeting.

**31.9 Project Development expenses capitalised during the year:**

(₹ in lakhs)

	Current Year	Previous Year
Stores & Spares	85.76	
Finance and other borrowing costs capitalised in CWIP	473.47	175.92
Salaries & Wages	399.17	-
<b>Total</b>	<b>958.40</b>	<b>175.92</b>

**31.10** In an earlier year, the Company had sold part of its leasehold land at its Mazgaon unit. The Company is required to surrender the remaining leasehold land (reserved portion admeasuring about 27,287.82 square meters) to Municipal Corporation of Greater Mumbai for the purpose of extension of V.J.B. Udyan. The Company is also required to recommence the spinning unit which can accommodate 10,000 spindles. By virtue of the agreement, the developer will construct a structure and hand it over to the Company.

**31.11** 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.

**31.12** Proposed Dividend on 13,912,886 equity shares of the face value of ₹ 10/- each for the year ended 31st March, 2017 @ ₹ 2/- per share is subject to approval in the Annual General Meeting and is not recognised as liability (including Dividend Distribution Tax thereon).

**31.13** As reported earlier, the Company has filed Writ Petition No.2982/2016 in the Hon'ble Bombay High Court challenging the demand notice of ₹45,435 lakhs (in respect of Development Agreement dated 17th June 2011 entered into by the Company for a part of its leasehold land at Mazagaon) issued by The Collector of Mumbai City and further actions of the office of Collector thereunder. Pending the admission of the aforesaid Writ Petition, the Hon'ble High Court has recorded by its Orders dated 19th January 2017 and 27th January 2017 that the Collector is ready to recall its Order/ Demand and the subsequent attachment dated 29th November 2016 and give a fresh hearing to the Company and accordingly this Hon'ble Court set aside the Order/ Demand and subsequent attachment dated 29th November 2016. Accordingly, as recorded in Order dated 27th January 2017, the aforesaid demand notice and attachment order has been withdrawn by the Collector and the same has been recorded in the Property Card of C. S. No. 593. Pursuant to the notification dated 10th February 2004, the Company is required to hand over 50% of the land bearing C. S. No. 593 to Municipal Corporation of Greater Mumbai ("MCGM") which is under reservation ("the said land") and as per the said notification, the Company would be eligible to get non-cash compensation in lieu thereof. The Collector claims to have handed over possession of the said reserved land to MCGM during the pendency of proceedings. The Company had filed Notice of Motion No. 5 of 2017 in the Writ Petition No.2982 of 2016 for handing over possession of the said Land to the MCGM under direction of the Court and the claim of the Collector has been challenged by the Company before the Court. The Hon'ble High Court has accordingly by its orders dated 16th March 2017, 13th April 2017 and 28th April 2017 directed status quo to be maintained. The Company continues to be in possession of the said reserved land. The Hon'ble High Court has allowed the Chamber Summons No. 90 of 2017 filed by the Company for impleading MCGM as a party to the Writ Petition and permitting the Company to carry out incidental and consequential amendments to the Writ Petition for bringing subsequent acts of the Collector and MCGM on record. All interim reliefs granted earlier by the Hon'ble High Court are continuing till further orders.

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### Note 32 Disclosures under Accounting Standards

#### 32.1 Details of leasing arrangements

(₹ in lakhs)

	Current Year	Previous Year
<b>As Lessor:</b>		
The Company has entered into non cancellable operating lease arrangements for certain premises. The tenure of such agreements ranges from eleven to sixty months.		
Future minimum lease payments		
not later than one year	514.85	444.52
later than one year and not later than five years	1,027.23	1,242.43
<b>Total</b>	<b>1,542.08</b>	<b>1,686.95</b>
Depreciation recognised on the leased assets	1.00	1.00
<b>As Lessee:</b>		
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 9 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.		
Future minimum lease payments		
not later than one year	315.29	316.43
later than one year and not later than five years	908.37	1,236.23
later than five years	-	86.17
<b>Total</b>	<b>1,223.66</b>	<b>1,638.83</b>
Lease payments recognised in the Statement of Profit and Loss	306.62	338.19

#### 32.2 Earnings / (Loss) per share

(₹ in lakhs)

	Current Year	Previous Year
Net Profit / (Loss) for the year attributable to the equity shareholders	(214.35)	1,712.38
Weighted average number of equity shares outstanding during the year	13,912,886	13,912,886
Par value per share (₹)	10.00	10.00
Earnings / (Loss) per share - Basic and Diluted (₹)	(1.54)	12.31

#### 32.3 Segment Information

The Company has identified business segment as its primary segment and geographic segment as its secondary segment. The Company operates solely in the Textile business segment.

Secondary segment reporting for geographic segment on the basis of location of customers is as under:

(₹ in lakhs)

Geographic Segment	Revenues for the year ended 31st March, 2017	Segment assets As at 31st March, 2017	Additions to fixed assets during the year ended 31st March, 2017	Revenues for the year ended 31st March, 2016	Segment assets As at 31st March, 2016	Additions to fixed assets during the year ended 31st March, 2016
Within India	111,043.77	90,876.10	10,354.47	118,185.38	91,045.84	7,079.63
Outside India	15,978.51	2,929.71	-	14,123.36	2,108.36	-
<b>Total</b>	<b>127,022.28</b>	<b>93,805.81</b>	<b>10,354.47</b>	<b>132,308.74</b>	<b>93,154.20</b>	<b>7,079.63</b>

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### 32.4 Employee benefit plans

#### a) Defined contribution plans

Contributions are made to Recognized Provident Fund / Government Provident Fund and Family Pension Fund which covers all regular employees. Contribution is also made in respect of executives to a Recognized Superannuation Fund. While both the employees and the Company make predetermined contributions to the Provident Fund, contribution to the Family Pension Fund and Superannuation Fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. The Company recognised during the year ₹ 469.05 lakhs (Previous year ₹472.65 lakhs) as Provident Fund Contribution, ₹ 242.05 lakhs (Previous year ₹228.96 lakhs) as Super Annuation Contribution and ₹144.22 lakhs (Previous year ₹104.85 lakhs) as Pension Fund Contribution.

#### b) Defined benefit plans

Contributions are made to a Recognized Gratuity Fund in respect of gratuity based upon actuarial valuation done at the year end of every financial year using "Projected Unit Credit" method and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

The charge on account of provision for gratuity has been included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements: (₹ in lakhs)

	Current Year	Previous Year
<b>Components of employer expense</b>		
Current service cost	176.15	145.22
Interest cost	246.91	239.23
Expected return on plan assets	(236.94)	(225.63)
Actuarial losses/(gains)	23.67	44.18
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>209.79</b>	<b>203.00</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	609.24	343.50
Actual contributions	133.32	250.50
<b>Net Liability recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	(2,975.06)	(3,155.22)
Fair value of plan assets	2,772.15	3,028.78
Unrecognised past service costs	-	-
<b>Net Liability recognised in the Balance Sheet</b>	<b>(202.91)</b>	<b>(126.44)</b>
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	(3,155.22)	(3,022.85)
Current service cost	(176.15)	(145.22)
Interest cost	(246.91)	(239.23)
Actuarial gains / (losses)	(6.02)	(91.42)
Benefits paid	609.24	343.50
Present value of DBO at the end of the year	(2,975.06)	(3,155.22)
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	3,028.78	2,848.91
Expected return on plan assets	236.94	225.63
Actual company contributions	133.32	250.50
Actuarial gain / (loss)	(17.64)	47.24
Benefits paid	(609.24)	(343.50)
Plan assets at the end of the year	2,772.15	3,028.78
Actual return on plan assets	219.29	272.87

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

	Current Year	Previous Year
<b>Composition of the plan assets is as follows:</b>		
Government bonds	43.58%	41.74%
PSU bonds	31.72%	32.82%
Others	0.47%	3.35%
Insurer Managed Funds	11.07%	9.19%
Deposits with Nationalised Banks	13.16%	12.14%
Mutual Funds	-	0.77%
<b>Actuarial assumptions</b>		
Discount rate	7.51% - 7.57%	7.81% - 7.95%
Expected return on plan assets	7.51% - 7.57%	7.81% - 7.95%
Salary escalation	4.00%	4.00%
Attrition	2.00%	2.00%
Mortality tables	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Estimate of amount of contribution in the immediate next year	377.59	302.58

### Experience adjustments

(₹ in lakhs)

Gratuity	Current Year ended 31st March, 2017	Previous Year ended 31st March, 2016	Previous Year ended 31st March, 2015	Previous Year ended 31st March, 2014	Previous Year ended 31st March, 2013	(9 months ended 31st March, 2012)
Experience (gain) / loss adjustments on plan liabilities	(59.96)	71.00	117.09	153.09	281.08	274.99
Experience gain / (loss) adjustments on plan assets	(17.64)	47.24	42.30	18.88	49.76	111.58

### Long term Compensated absences

	Current Year	Previous Year
<b>Actuarial assumptions</b>		
Discount rate	7.51% - 7.57%	7.81% - 7.95%
Salary escalation	4.00%	4.00%
Attrition	2.00%	2.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

All the employees are eligible for compensated absences of 30 days in each financial year which can be encashed during the tenure of employment. Employees cannot carry forward any compensated absences in excess of 300 days. The provision for these absences, made on the basis of Actuarial Valuation on "Projected Unit Credit" method is ₹ 636.51 lakhs (Previous year ₹619.35 lakhs). Net charge for the year ₹ 284.55 lakhs (Previous year ₹223.75 lakhs).



**Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017****Note 32.5****Related Parties transactions****Details of Related Parties****A Associates**

-

**B Key managerial personnel**

Aniruddha P. Deshmukh

V. P. Mafatlal (upto 19th August 2016)

Priyavrata H. Mafatlal (from 1st November 2016)

Rajiv Dayal (upto 12th August 2015)

**C Enterprises over which key management personnel and their relatives are able to exercise significant influence**

NOCIL Limited

Navin Fluorine International Limited (upto 19th August 2016)

Sulakhana Securities Limited (upto 19th August 2016)

Krishnadeep Housing Development Private Limited (upto 19th August 2016)

Mafatlal Impex Private Limited (upto 19th August 2016)

Mafatlal Fabrics Private Limited (upto 19th August 2016)

**D Individual having significant influence**

H. A. Mafatlal

**E Relatives of Individual having significant influence**

Priyavrata H. Mafatlal (upto 31st October 2016)

**F Enterprises over which Individual having significant influence and relatives of such individuals 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

**Details of transactions with related parties during the year:**

(₹ in lakhs)

Nature of Transactions	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which Key Managerial Personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individuals are able to exercise significant influence.	Total
<b>Other Operating Revenues</b>								<b>77.43</b>
								100.87
Sulakhana Securities Limited (** Refer Note Below)	-	-	-	16.06	-	-	-	16.06
	-	-	-	6.36	-	-	-	6.36
NOCIL Limited	-	-	-	13.69	-	-	-	13.69
	-	-	-	15.68	-	-	-	15.68
Navin Fluorine International Limited (** Refer Note Below)	-	-	-	47.68	-	-	-	47.68
	-	-	-	78.83	-	-	-	78.83

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

(₹ in lakhs)

Nature of Transactions	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which Key Managerial Personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual influence and relatives of such individuals are able to exercise significant influence.	Total
<b>Interest Income</b>								-
								4.95
Mafatlal Impex Private Ltd. ( ** Refer Note Below)	-	-	-	-	-	-	-	-
	-	-	-	3.31	-	-	-	3.31
Sukarma Investments Private Limited	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	1.63	1.63
<b>Dividend Income</b>								<b>319.23</b>
								265.50
NOCIL Ltd	-	-	-	<b>276.43</b>	-	-	-	<b>276.43</b>
	-	-	-	230.36	-	-	-	230.36
Navin Fluorine International Limited (** Refer Note Below)	-	-	-	<b>42.80</b>	-	-	-	<b>42.80</b>
	-	-	-	35.14	-	-	-	35.14
<b>Purchase of Goods &amp; Services</b>								-
								28.26
Mafatlal Fabrics Private Limited	-	-	-	-	-	-	-	-
	-	-	-	27.93	-	-	-	27.93
Navin Fluorine International Limited (** Refer Note Below)	-	-	-	-	-	-	-	-
	-	-	-	0.33	-	-	-	0.33
<b>Sale of Goods &amp; Services ( Net )</b>								<b>1.23</b>
								9.81
NOCIL Ltd	-	-	-	-	-	-	-	-
	-	-	-	0.85	-	-	-	0.85
Mafatlal Fabrics Private Limited	-	-	-	-	-	-	-	-
	-	-	-	<b>0.25</b>	-	-	-	<b>0.25</b>
Suremi Trading Private Limited	-	-	-	-	-	-	<b>0.74</b>	<b>0.74</b>
	-	-	-	-	-	-	-	-
Navin Fluorine International Limited (** Refer Note Below)	-	-	-	<b>0.49</b>	-	-	-	<b>0.49</b>
	-	-	-	8.70	-	-	-	8.70
<b>Remuneration</b>								<b>423.24</b>
								454.99
Priyavrata H. Mafatlal	-	<b>27.56</b>	-	-	-	<b>16.98</b>	-	<b>44.54</b>
	-	-	-	-	-	25.68	-	25.68
Aniruddha P. Deshmukh	-	<b>228.83</b>	-	-	-	-	-	<b>228.83</b>
	-	122.39	-	-	-	-	-	122.39
Vishad P. Mafatlal (* Refer Note Below)	-	<b>149.86</b>	-	-	-	-	-	<b>149.86</b>
	-	126.15	-	-	-	-	-	126.15
Rajiv Dayal	-	-	-	-	-	-	-	-
	-	180.77	-	-	-	-	-	180.77
<b>Sitting Fees</b>								<b>1.75</b>
								2.00
H.A. Mafatlal	-	-	-	-	<b>1.75</b>	-	-	<b>1.75</b>
	-	-	-	-	2.00	-	-	2.00
<b>Loan given</b>								-
								2.25
Silvia Apparel Limited	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	2.25	2.25

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

(₹ in lakhs)

Nature of Transactions	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which Key Managerial Personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individuals are able to exercise significant influence.	Total
<b>Repayment of Loan By</b>								-
								316.32
Sukarma Investments Private Limited	-	-	-	-	-	-	-	-
Suremi Trading Private Limited	-	-	-	-	-	-	81.50	81.50
Silvia Apparel Limited	-	-	-	-	-	-	38.00	38.00
Rajiv Dayal	-	-	-	-	-	-	2.25	2.25
Mafatlal Impex Pvt Ltd. (** Refer Note Below)	-	79.57	-	-	-	-	-	79.57
	-	-	-	115.00	-	-	-	115.00
<b>Amount due from - as at 31st March, 2017</b>								<b>202.42</b>
								616.69
Mafatlal Impex Private Limited (Advances) (** Refer Note Below)	-	-	-	-	-	-	-	-
Mafatlal Fabrics Private Limited	-	-	-	155.56	-	-	-	155.56
Mafatlal Global Apparel Limited (Trade Receivable)	-	-	-	0.20	-	-	-	0.20
Navin Fluorine International Limited (Trade Receivable) (** Refer Note Below)	-	-	-	7.27	-	-	-	7.27
Sulakshana Securities Ltd ( ** Refer Note Below)	-	-	-	6.66	-	-	-	6.66
	-	-	-	14.52	-	-	-	14.52
Sukarma Investments Private Limited	-	-	-	-	-	-	95.87	95.87
Suremi Trading Private Limited	-	-	-	-	-	-	95.87	95.87
	-	-	-	-	-	-	84.76	84.76
<b>Amount due to - as at 31st March, 2017</b>								-
								0.32
Mafatlal Fabrics Private Limited	-	-	-	-	-	-	-	-
	-	-	-	0.32	-	-	-	0.32

Figures in Italics represents previous year

\* Includes Gratuity and leave encashment at the end of the tenure.

\*\* Navin Flourine International Ltd., Mafatlal Impex Pvt. Ltd. and Sulakshana Securities Ltd. are considered to be related parties only till 19 August 2016.

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### Note 33

**33.1** The Company has not made any remittances in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances in foreign currencies on account of dividends have been made by or on behalf of non-resident shareholders. The particulars of dividends paid to non-resident shareholders are as follows:

	Year ended 31st March, 2017	Year ended 31st March, 2016
Year to which Dividend relates	2015-16	2014-15
Number of non-resident shareholders	198	160
Number of shares held by them on which dividend is due	81,590	52,425
Amount remitted to bank accounts in India of non-resident shareholders - ₹ in lakhs	2.45	1.57

### 33.2 Details of Loan Given and Investment made covered u/s 186(4) of the Companies Act, 2013

#### (i) Loans given in Current Year

(₹ in lakhs)

Name of Party	Purpose	Amount
None	-	-

#### (ii) Investment made in Current Year

(₹ in lakhs)

Name of Party	Amount
Janata Sahkari Bank Limited, Pune	28.45
NOCIL Ltd.	1,656.29

### 34.1 Additional Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(₹ in lakhs)

Name of the entity in the Parent Company	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b>Parent</b>				
Mafatlal Industries Limited	100.70%	37,160.63	100.00%	(691.70)
<b>Subsidiaries</b>				
<b>Indian</b>				
Mafatlal Services Limited	-0.43%	(158.07)	0.00%	-
<b>Joint Ventures (as per proportionate consolidation)</b>				
<b>Foreign</b>				
Al Fahim Mafatlal Textiles LLC	-0.27%	(98.16)	0.00%	-

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### 34.2 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.

#### I Part "A" Subsidiary

(₹ in lakhs)

Sr. no.	Name of the Subsidiary Company	Mafatlal Services Limited (Subsidiary)
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 <sup>st</sup> April 2016 to 31 <sup>st</sup> March 2017
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the each of foreign subsidiaries	INR
3	Share capital	310.00
4	Reserves & surplus	(270.87)
5	Total assets	50.48
6	Total Liabilities	11.35
7	Investments	-
8	Turnover	89.91
9	Profit before taxation	-
10	Provision for taxation	-
11	Profit after taxation	-
12	Proposed Dividend	-

1. Names of subsidiaries which are yet to commence operations: None

2. Names of subsidiaries which have been liquidated or sold during the year: None

#### II Part "B" Joint Venture

Statement pursuant to section 129 (3) of the Companies Act 2013 related to Joint Venture.

(₹ in lakhs)

Sr. No.	Name of the Joint Venture	Al Fahim Mafatlal Textile LLC (Joint Venture)
1	Latest audited Balance sheet Date	31 <sup>st</sup> December, 2016
2	Share of Joint Venture held by the company on the year ended No. of Shares	147 Shares
	Amount of investment in Joint Venture	22.73
	Extent of Holding %	49%
3	Description of how there is significant influence	By virtue of 49% shareholding in Memorandum of Understanding
4	Reason why the joint venture is not consolidated.	Not Applicable
5	Net worth attributable to shareholding as per latest audited Balance	40.66
6	(Loss) for the year	-
I	Considered in Consolidation	-
II	Not Considered in Consolidation	-

#### Note for 33.2 (II) Part B Joint Venture :

Information in Row 5 and 6 (I) is as proportionate to the holding of 49% and as per unaudited financial statements for the year ending 31<sup>st</sup> December, 2016.

## Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2017

### 35 Disclosure of Specified Bank Notes ('SBN') (₹ in Lakhs)

The Ministry of Corporate Affairs ('MCA') in its notification dated 30th March 2017 ammended Schedule III to the Companies Act, 2013 requiring Companies to provide the following disclosure in the financial statement in respect of Specified Bank Notes ('SBN') held and transacted during the period 8th November 2016 to 30th December 2016:

(₹ in Lakhs)			
Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 8th November 2016	8.86	17.50	26.36
(+) Permitted Receipts	0.02	75.70	75.72
(-) Permitted Payments	5.00	75.48	80.48
(-) Amount Deposited in Banks	3.87	1.15	5.02
Closing Cash in Hand as on 30th December 2016	-	16.57	16.57

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

#### For and on behalf of the Board of Directors

**H. A. Mafatlal**  
Chairman  
(DIN:00009872)

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

**Ashish A. Karanji**  
Company Secretary

**Aniruddha P. Deshmukh**  
Managing Director &  
Chief Executive Officer  
(DIN:01389267)

**Milan P. Shah**  
Chief Financial Officer

Directors	DIN
<b>V. R. Gupte</b>	(DIN:00011330)
<b>A. K. Srivastava</b>	(DIN:00046776)
<b>P. N. Kapadia</b>	(DIN:00078673)
<b>G. G. Charkravarti</b>	(DIN:00004399)
<b>S. A. Shah</b>	(DIN:00058019)
<b>L.P. Pradhan</b>	(DIN:07118801)

Mumbai, Dated : 5th May, 2017



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  
Tel. 079-26444404-06 Fax: 079- 26444403  
Email: [ahmedabad@mafatlals.com](mailto:ahmedabad@mafatlals.com) Website: [www.mafatlals.com](http://www.mafatlals.com)

Name of the Member(s) :  
Registered address :  
E-mail Id :  
Folio No./ DP Id / Client Id :

I / We, being the member(s) of .....shares of the above named company, hereby appoint:

- (1) Name ..... Address.....  
E-mail ID..... Signature..... or failing him/her
- (2) Name ..... Address.....  
E-mail ID..... Signature..... or 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 103<sup>rd</sup> Annual General Meeting of the Company, to be held on Wednesday, 2<sup>nd</sup> day of August, 2017 at 10.00 A.M at J.B.Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad - 380015 and at any adjournment thereof in respect of such resolutions as are indicated below:**

#### Ordinary Business

- Adoption of Audited Financial Statements (Standalone & Consolidated both) including the statement of Profit and loss for the Year ended 31st March, 2017 and Balance sheet as at date, the Directors' Report and Auditors' Report thereon.
- Declaration of Dividend.
- Appointment of Shri A. K. Srivastava, who retires by rotation.
- Appointment of M/s Price Waterhouse, Chartered Accountants LLP, as Auditors of the Company.

#### Special Business

- Appointment of Shri Priyavrata H. Mafatlal as Executive Director designated as Director of the Company.
- Special Resolution for Appointment of Shri Priyavrata H. Mafatlal, as Executive Director of the Company.
- Special Resolution for Appointment of Shri Hrishikesh A. Mafatlal as Executive Chairman of the Company.
- Special Resolution for approval of Managerial Remuneration paid during the year 2016-17 to Shri Aniruddha P. Deshmukh including waiver of excess remuneration paid.
- Special Resolution for approval of Managerial Remuneration paid during the year 2016-17 to Shri Priyavrata H. Mafatlal (w.e.f. 1.11.2016) including waiver of excess remuneration paid.
- Special Resolution for approval of Managerial Remuneration paid during the year 2016-17 to Shri Vishad P. Mafatlal (upto 19.08.2016) including waiver of excess remuneration paid.
- 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 2017-18.
- Special Resolution for issue of Equity shares under Employee Stock Option Scheme /s to the Employees of the Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signature of the Shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp  
Re.1/-

**Notes: This form of Proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.**







**MAFATLAL 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](http://www.mafatlals.com) Email: [ahmedabad@mafatlals.com](mailto: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 103<sup>rd</sup> Annual General Meeting of the Company, to be held on **Wednesday, 2<sup>nd</sup> August, 2017 at 10.00 a.m. at J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad-380 015**

SIGNATURE OF THE \_\_\_\_\_

SHAREHOLDER OR PROXY \_\_\_\_\_

**NOTES:**

- (1) Shareholders / Proxy holders are requested to bring the Attendance Slip with them when they come to the Meeting and hand it over at the gate after affixing their signature on it.
- (2) Shareholders are requested to advise, indicating their Folio Nos. DP ID\*, Client ID\*, the change in their address, if any, to the Registrar & Share Transfer Agents, at **Karvy Computershare Pvt. Ltd.** Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032, India Tel: 040 6716 2222 Fax: 040 2342 0814 E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com) website: [www.karvycomputershare.com](http://www.karvycomputershare.com)

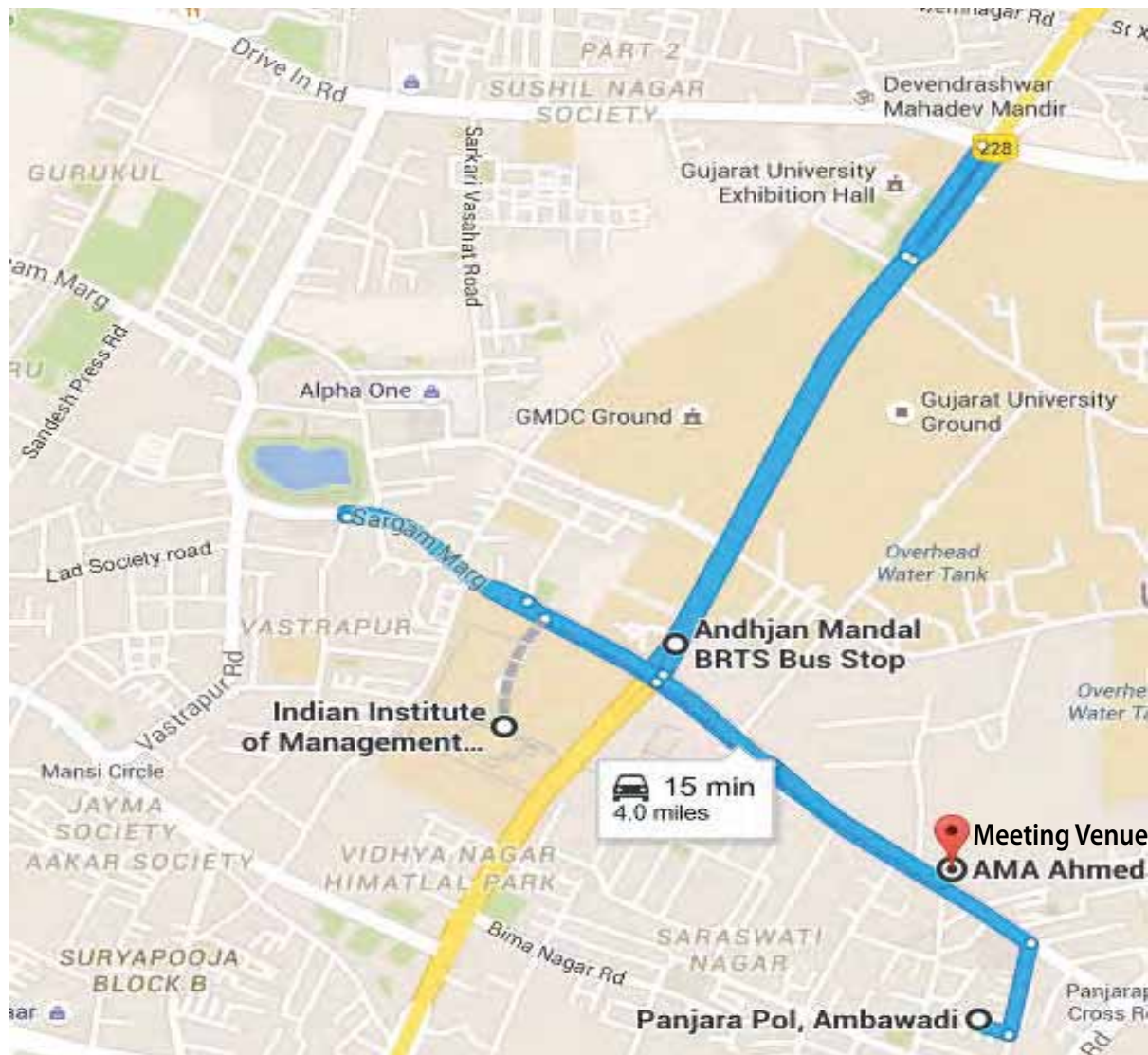
\*Applicable for investors holding shares in Electronic (Demat) Form.



**Route Map to the 103<sup>rd</sup> Annual General Meeting of the shareholders the Company**

**Wednesday, 2<sup>nd</sup> day of August, 2017 at 11.00 a.m.**

**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

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**August 2, 2017**

To,  
**Bombay Stock Exchange Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400001

**BSE Code: 500264**

Dear Sir,


**Sub: Passing of Special Resolution for authority to grant Employees Stock Options**

We wish to inform you that the Members, at their 103<sup>rd</sup> Annual General Meeting held on 2<sup>nd</sup> August, 2017 have passed Special Resolution under section 62 of the Companies Act, 2013 read with provisions of SEBI (Share Based Employee Benefits), Regulation, 2014 granting authority in favour of Board of Directors including Committees thereof to issue Equity Shares under one or more Employee Stock Option Schemes to the eligible Employees and Directors of the Company.

We attached herewith Certified True Copy of the Special Resolution passed by the shareholders in this regard together with the relevant Explanatory Statement for your reference and records.

Thanking you,

Yours faithfully,  
**For Mafatlal Industries Limited**



**Ashish A. Karanji**  
**Company Secretary**  
Encl. – As above





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

**CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED 103<sup>RD</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY HELD ON WEDNESDAY, THE 2<sup>ND</sup> AUGUST, 2017 AT 10.00 A.M. AT J. B. AUDITORIUM, AHMEDABAD MANAGEMENT ASSOCIATION, ATIRA CAMPUS, DR. VIKRAM SARABHAI MARG, VASTRAPUR, AHMEDABAD 380 015**

**"RESOLVED THAT** pursuant to the provisions of Section 62(1) (b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules & Regulations made thereunder and in accordance with the Memorandum and Articles of Association of the Company, and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and other applicable provisions including, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and further subject to such other approvals, permissions and sanctions as may be necessary and upon such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the introduction and implementation of Mafatlal Employee Stock Option Scheme 2017 (hereinafter referred to as the "ESOS 2017") authorising the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to create, and grant from time to time, in one or more tranches, not exceeding 6,95,000 (six lakhs ninety five thousand) Employee Stock Options to or for the benefit of such eligible person(s) who are in permanent employment of the Company, including any Director, whether whole time or otherwise, as may be decided under ESOS 2017, exercisable into not more than 6,95,000 (six lakhs ninety five thousand) equity shares of face value of `10 (Rupees Ten) each fully paid-up, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the proposed ESOS 2017."

**"RESOLVED FURTHER THAT** the equity shares so issued and allotted as mentioned hereinbefore shall rank paripassu with the then existing equity shares of the Company in all respects."

**"RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, amalgamation, merger, takeover and sale/disposal of division or undertaking and others, if any additional equity shares are to be issued by the Company to the Option grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the ceiling on the number of Options mentioned in the resolution above, shall be deemed to be increased to the extent of such additional equity shares issued."

**"RESOLVED FURTHER THAT** in case the equity shares of the Company are split or consolidated (sub-division or consolidation of face value of equity shares), then the number of equity shares to be allotted and the exercise price payable by the option grantees under the ESOS 2017 shall automatically stand augmented or reduced in the same proportion as the present face value of `10 (Rupees Ten) per equity share bears to the revised face value of the equity shares of the Company after such split or consolidation, without affecting any other rights or obligations of the said grantees."

**"RESOLVED FURTHER THAT** the Board including designated committee of the Board, if any be and is hereby authorised to take requisite steps for listing of the Equity Shares allotted under ESOS 2017 on the Bombay Stock Exchange (BSE Limited) where the Equity Shares of the Company are listed and traded as well as on other stock exchange/s where the Company proposes to get its shares listed in due course of time."



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**"RESOLVED FURTHER THAT** the Company shall conform to the applicable accounting standards/policies/guidelines prescribed, from time to time, under the SEBI Rules & Regulations (including amendments thereto) and other applicable laws and regulations to the extent relevant and applicable to the ESOS 2017."

**"RESOLVED FURTHER THAT** the Board including designated committee of the Board, if any, be and is hereby authorized in its absolute discretion at any time to frame & finalise, modify, change, vary, alter, amend, suspend or terminate the ESOS 2017 subject to the compliance with the applicable laws, Rules and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts (including the extension or reduction of vesting and /or exercise timeline of the options already granted or proposed to be granted) that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOS 2017 and do all other things incidental and ancillary thereof."

**"RESOLVED FURTHER THAT** the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and such other Advisors, Consultants, professionals or Representatives, being incidental to the effective implementation and administration of ESOS 2017 as also to make applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard."

**CERTIFIED TO BE TRUE**

**FOR MAFATLAL INDUSTRIES LIMITED**

  
**(ASHISH A. KARANJI)**  
**COMPANY SECRETARY**



**EXPLANATORY STATEMENT**

In respect of Item No. 12

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives. Your Company believes in rewarding its employees including Directors of the Company along with employees of the subsidiaries for their continuous hard work, dedication and support, which would lead the Company on the growth path. The Company intends to implement Employee Stock Option Scheme 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.

With this objective in mind, your Company intends to implement Mafatlal Employee Stock Option Scheme 2017 ("ESOS 2017") for the permanent employees including Directors of the Company.

The Company seeks members' approval in respect of ESOS 2017 for granting of Stock Options to the eligible employees of the Company as decided in this behalf from time to time with due compliance of the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), SEBI (LODR) Regulations, 2015, and Rules & Regulations made thereunder.

The Board of Directors of the Company has, based on the recommendation of the Nomination & Remuneration Committee, at their meeting held on 5th May, 2017 approved ESOS 2017, the salient features of the same are as under:

**a) Brief description of the scheme:**

The Company proposes to introduce the ESOS 2017 primarily with a view to attract, retain, incentivise and motivate the existing employees of the Company, new employees joining the Company and its Directors that would lead to higher corporate growth. The ESOS 2017 contemplates grant of options to the eligible employees (including Directors), as may be determined in due compliance of applicable laws, rules and regulations including the proposed ESOS 2017. After vesting of options, the eligible employees earn a right (but not obligation) to exercise the vested options within the exercised period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Nomination and Remuneration Committee ("Committee") of the Company shall administer ESOS 2017. All questions of interpretation of the ESOS 2017 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in ESOS 2017.

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**b) Total number of Options to be granted:**

A total number of options 6,95,000 (six lakhs ninety five thousand) exercisable into 6,95,000 (six lakhs ninety five thousand) Equity Shares would be available for being granted to eligible employees of the Company under ESOS 2017. Each option when exercised would be converted into one Equity share of Rs.10/- each fully paid-up.

Options lapsed or cancelled due to any reason including the reason of lapse of exercise period or due to resignation of the employees/ Directors or otherwise, would be available for being re-granted at a future date. The Committee is authorized to re-grant such lapsed / cancelled options as per the ESOS 2017.

Further, the SEBI Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. In this regard, the Committee shall adjust the number and price of the options granted in such a manner that the total value of the options granted under ESOS 2017 remain the same after any such corporate action. Accordingly, if any additional options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of 6,95,000 (six lakhs ninety five thousand) options shall be deemed to be increased to the extent of such additional options issued.

**c) Identification of classes of employees entitled to participate in ESOS 2017**

All permanent employees of the Company, including the Directors (whether Executive or Non-Executive) but excluding –

- a. Independent Directors,
- b. promoters or persons belonging to promoter group,
- c. director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company.

**d) Requirements of vesting and period of vesting**

All the options granted on any date shall vest not earlier than 1 (one) year and not later than a maximum of 4 (four) years from the date of grant of options as may be determined by the Committee.

Options shall vest essentially based on continuation of employment and apart from that the vesting will be subject to Individual performance parameters as the Committee may specify additionally.

**e) Maximum period within which the options shall be vested:**

All the options granted on any date shall vest not later than a maximum of 4 (four) years from the date of grant of options as may be determined by the Committee.

**f) Exercise price or pricing formula:**

The exercise price shall be fair market value of share as on date of grant of options (being not less than last closing price at the stock exchange on the previous working day prior to the grant).

**g) Exercise period and the process of Exercise:**

The Exercise period would commence from the date of vesting and will expire not later than a maximum of 4 (four) years from the date of respective vesting or such other shorter period as may be decided by the Committee from time to time.

The vested Option shall be exercisable by the employees by a written application to the Company expressing their desire to exercise such Options in such manner and on such format as may be prescribed by the Committee from time to time. The Options shall lapse if not exercised within the specified exercise period.

**h) Appraisal process for determining the eligibility of employees under ESOS 2017:**

The appraisal process for determining the eligibility shall be decided from time to time by the Board/Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, etc. as may be decided by the Board/ Committee in its absolute discretion.



**i) Maximum number of Options to be issued per employee and in aggregate:**

The number of options that may be granted to any specific employee of the Company under the ESOS 2017, in any financial year and in aggregate under the ESOS 2017 shall not exceed one percent of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant of options.

**j) Maximum quantum of benefits to be provided per employee under the ESOS 2017:**

The maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the market price of the shares as on the date of exercise of options. However in no case exceeding the then existing 1% of the issued share capital of the Company.

**k) Route of ESOS 2017 implementation:**

The ESOS 2017 shall be implemented and administered directly by the Company. In case Company wishes otherwise, it may be intimated to the members in due course as per applicable laws.

**l) Source of acquisition of shares under the ESOS 2017:**

The ESOS 2017 contemplates fresh/new issue of shares by the Company.

**m) Amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc:**

This is currently not contemplated under the present ESOS 2017.

**n) Maximum percentage of secondary acquisition:**

This is not relevant under the present ESOS 2017.

**o) Accounting and Disclosure Policies:**

The Company shall follow the IND AS/Guidance Note on Accounting for Employee Share-based Payments and/or any relevant Accounting Standards as may be prescribed by the competent authorities from time to time, including the disclosure requirements prescribed therein.

**p) Method of option valuation:**

The Company shall adopt 'Fair value method' for valuation Options as prescribed under applicable Guidance Note or under any relevant accounting standard notified by appropriate authorities from time to time.



**q) Declaration:**

In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options and the impact of this difference on profits and on Earning Per Share ("EPS") of the company shall also be disclosed in the Directors' report.

The equity shares of the Company, so issued under ESOS 2017 shall be listed at the stock exchange/s where the existing shares are listed and traded in conformity with the applicable provisions of law for the time being in force and the SEBI Rules, Regulations and Guidelines.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent of the entitlements, if any, granted in due course under the ESOS 2017.

**CERTIFIED TO BE TRUE**

**FOR MAFATLAL INDUSTRIES LIMITED**

  
**(ASHISH A. KARANJI)**  
**COMPANY SECRETARY**

