

INSTRUCTIONS TO THE SHAREHOLDERS FOR E-VOTING, ATTENDING AGM THROUGH VIDEO CONFERRING, REGISTERING AS SPEAKER ETC.

This is to inform you that **106th Annual General Meeting ('AGM')** is scheduled to be held on **Thursday, September 10, 2020 at 12:30 p.m.** through video conferencing ('VC') / other audio visual means ('OAVM').

The Annual Report for FY 2019-20 along with Notice of the AGM is available and can be downloaded from the Company's website www.mafatlals.com under "financials & disclosure" section" and also at the website of KFin Technologies Private Limited ('KFinTech'), the Registrar & Share Transfer Agents (STA) of the Company www.kfintech.com.

Please note that in view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. Accordingly, in compliance with the applicable Circulars issued by MCA & SEBI and the relevant provisions of the Companies Act, 2013 (Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the AGM of the Company is being held through VC/OAVM.

Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their votes on all resolutions set forth in the Notice of the AGM using electronic voting system (remote e-voting) provided by KFinTech and also digital voting during the AGM to those members who have not voted through remote e-voting.

The e-voting period commences on Monday, September 7, 2020 (9:00 a.m. IST) and ends on Wednesday, September 9, 2020 (5:00 p.m. IST).

During this period, Members holding shares either in physical form or in dematerialised form **as on Thursday, September 3, 2020 i.e. cut-off date**, may cast their vote electronically. The e-voting module shall be disabled by KFinTech for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

The voting rights of Members shall be in proportion to the equity shares held by them in the paid-up equity share capital of the Company as on **Thursday, September 3, 2020 (cut-off date)**. Any person, who is a Member of the Company as on the cut-off date is eligible to cast vote electronically on all the resolutions set forth in the Notice of AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

INSTRUCTIONS FOR MEMBERS FOR REMOTE E VOTING, EVOTING & ATTENDANCE AT AGM :

1. **e-AGM:** Company has appointed KFinTech to provide VC / OAVM facility for the AGM and the attendant enablers for conducting of the e-AGM.
2. Pursuant to the provisions of the circulars of MCA on the VC/OVAM(e-AGM):
 - a. Members can attend the meeting through log in credentials provided to them to connect to VC / OAVM. Physical attendance of the Members at the Meeting venue is not required.
 - b. Option of appointment of proxy to attend and cast vote on behalf of the member is not available.
 - c. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
4. Up to 1000 members will be able to join on a FIFO basis to the e-AGM.
5. No restrictions on account of FIFO entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
6. The attendance of the Members (members logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Members are requested to register their email IDs with KFinTech if shares are held by them in physical form or with their respective DPs if shares are held by them in demat form. Those Members who have not registered their email IDs may send an email request to ris@kfintech.com along with the following documents for obtaining the Annual Report, Notice of AGM with e-voting instructions and login credentials: (a) In case shares are held in physical mode, please provide folio no., name, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of any address proof; (b) In case shares are held in demat mode, please provide DPID-Client ID (8 digit DPID + 8 digit client ID or 16 digit beneficiary ID), name, client master or copy of consolidated account statement, self-attested scanned copy of PAN card, self-attested scanned copy of any address proof; (c) After due verification, KFinTech will forward login credentials to Member's registered email ID; (d) After this, Member may follow the remote e-voting instructions given in this Notice.

Instructions for the Members for attending the e-AGM through VC / OAVM:

1. **Attending e-AGM:** Member will be provided with a facility to attend the e-AGM through VC / OAVM platform being provided by KFinTech. Members may access the same at <https://emeetings.kfintech.com> and **click on the "video conference"** and access the shareholders/members login by using the remote e-voting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected.
2. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
3. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
4. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

6. **AGM Questions prior to e-AGM:** Shareholders who would like to express their views/ask questions during the meeting may log into <https://emeetings.kfintech.com/> and click on "Post your Questions" may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, members questions will be answered only, the shareholder continue to hold the shares as of cut-off date benpos.
7. Due to limitations of transmission and coordination during the Q&A session, the Chairman may dispense with the speaker registration during the e-AGM conference.
8. **Speaker Registration during e-AGM session:** In case of decision to allow the Q&A session in the meeting, meeting may log into <https://emeetings.kfintech.com/> and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit.

Members who wish to be a Speaker or would like to express their views or ask questions during the AGM may register themselves as a "speaker" by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at agm.speaker@mafatlals.com from **Monday, September 7, 2020 (9:00 a.m. IST) and ends on Wednesday, September 9, 2020 (5:00 p.m. IST).**

Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Instructions for members for e-Voting during the e-AGM session:

1. The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the chairman during the e-AGM proceedings. Shareholders shall click on the same to take them to the "instapoll" page
2. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
3. Only those shareholders, who are present in the e-AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the e-AGM.

Remote Voting through electronic means

In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the Listing Regulations, the Company is providing facility of remote e-voting facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on **3rd September, 2020 (end of day), being the cut-off date** fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by KFin or to vote at the e-AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.

The details of the process and manner for remote e-voting are given below:

- i. Initial password is provided in the body of the email.
- ii. Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- iii. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
- iv. After entering the details appropriately, click on LOGIN.
- v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the EVENT i.e. Mafatlal Industries Limited.
- viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- x. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- xi. All Members, including Institutional Investors, are encouraged to attend and vote at the AGM. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the **Scrutinizer through email at umesh@umeshvedcs.com** and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'BAL_EVENT No.'
- xii. Members can cast their vote online from 7th September, 2020 (9.00 a.m.) till 9th September, 2020 (5.00 p.m.). Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.
- xiii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 345 4001 (toll free).

ASSISTANCE FOR AGM RELATED MATTERS :

Members who need assistance before or during the AGM, can connect with KFinTech Team contact Mr._Ananda_Moolya at email : ananda.moolya@kfintech.com Tele:040-67161627 on 040-67161627/ Telephone No: 9920292193 OR Mr. Sunil Ponugoti(Dy. Manager) at Email: sunil.ponugoti@kfintech.com, Telephone: 8142115522 / P: +91 40 67161627

OR the Company's officials Mr. Harsh Patel, Asst. Manager / Mr. Dinesh Patni, Executive at 079-26444404-06 or may email query at ahmedabad@mafatlals.com

NOTICE

NOTICE IS HEREBY GIVEN THAT the 106th Annual General Meeting ("AGM") of the Members of Mafatlal Industries Limited will be held on Thursday, the 10th day of September, 2020 at 12.30 PM through Video Conferencing / Other Audio Visual Means as permitted, to transact the following business:

ORDINARY BUSINESS

- (1) To consider and adopt the Audited Financial Statements (Standalone & Consolidated, both) for the financial year ended 31st March, 2020 including Statement of Profit & Loss for the year ended 31st March, 2020 and the Balance Sheet as at that date, the Directors' Report and the Auditor's Report thereon.
- (2) To appoint a Director in place of Mr. Priyavrata H. Mafatlal (holding DIN 02433237) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

- (3) 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 ₹ 4,37,500/- (Rupees Four Lakhs Thirty Seven thousand Five Hundred only) (plus taxes and re-imbursement of out-of-pocket expenses incurred by him for the purpose of Audit) to Mr. Bhalchandra C. Desai, Cost Auditor, (Membership No. M-1077), for conducting the audit of Cost Accounting Records relating to the products 'Textiles' manufactured and traded by the Company for the year 1st April 2020 to 31st March 2021 be and is hereby approved and ratified."
- (4) To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

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

Name

No. of equity shares held as at 31st March, 2020

Vishad P Mafatlal Public Charitable Trust NO.1

24,255

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

- (5) 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 Section 196, 197, 198 and other applicable provisions, if any read with Schedule V to the Companies Act, 2013 ('the Act') and the rules made thereunder including any statutory modification/s or re-enactment/s thereof, for the time being in force and in partial modification of earlier Resolutions, approval of the members of the Company be and is hereby accorded for the appointment of and re-designation of Mr. Priyavrata H. Mafatlal, (who is currently Chief Executive Officer & Executive Director) as Managing Director and Chief Executive Officer of the Company w.e.f. 1st July, 2020 for his remaining term of current appointment which is valid till 31st October, 2021 on the same terms and conditions of his appointment (except the changes as aforesaid) including the remuneration as approved by the members earlier as mentioned in the Explanatory Statement."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits of the Company in any financial year, Mr. Priyavrata H. Mafatlal be paid the said remuneration as minimum remuneration subject to the terms and up to the maximum limits prescribed under Schedule V to the Companies Act, 2013 as may be approved by the Board of Directors of the Company from time to time with liberty and authority to increase, amend, alter or vary in any manner the remuneration within the said limits and the terms and conditions of his appointment."

"RESOLVED FURTHER THAT Mr. Priyavrata H. Mafatlal as the Managing Director & CEO of the Company shall continue to be the whole time Key Managerial Person of the Company as contemplated under the provisions of Section 203 of the Act."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above Resolution."

By Order of the Board
For **Mafatlal Industries Limited**

Place: Ahmedabad
Dated: 27th June, 2020

Ashish A. Karanji
Company Secretary (ACS :15561)

Regd. Office:

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

NOTES

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. Generally, a member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
2. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of **Item Nos. 3 to 5** mentioned in the above Notice, is annexed hereto and marked as **Annexure I** to this notice.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from **Friday, 4th day of September, 2020 to Thursday, 10th day of September, 2020 (both days inclusive) for the purpose of annual closing and Annual General Meeting.**
4. The annual report interalia containing AGM Notice and other disclosures, will be posted on the Company's website under "Financial & Disclosures" Section at www.mafatlals.com. (available for free download and review from the website). The Notice of the AGM forms part of the Annual Report 2019-20 and is being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/DP in conformity with the MCA & SEBI Circulars. Those members, who wish to receive paper copy of the Annual Report may write to us on our email: ahmedabad@mafatlals.com. The Company will make sincere attempt to send out the paper copy once postal authorities or other modes of delivery resumes normal working. The Annual General Meeting shall be through Video Conferencing/Other Audio Visual Means. However for the purpose of record /jurisdiction the deemed place of Meeting shall be the Registered Office of the Company at 301-302, Heritage Horizon, Off C G Road, Navrangpura, Ahmedabad 380009
5. As required under the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and other applicable provisions, E-Voting facility is being provided to the Members. Details of the E-Voting process and other relevant details are being sent to the Members along with the Notice.
6. Members are requested to note that pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, **all equity shares of the Company on which dividend for the year 2012-13 has not been paid or claimed for 7 consecutive years or more shall be required to be transferred by the Company to Investor Education and Protection Fund on or after 5th August, 2020.** The details of the Members, who have not encashed their dividend warrants for earlier years and whose shares are liable to be transferred to the IEPF Authority if they do not encash their dividend prior to 4th August, 2020, are put on the Company's website www.mafatlals.com under the 'Financials & Disclosures' Section. Hence, Members who have not encashed their dividend warrants for the earlier year/s are advised to write to the Company immediately claiming their dividends declared by the Company.
7. Pursuant to the Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with applicable Secretarial Standards issued by ICSI, the requisite information interalia containing the remuneration paid to the Director seeking appointment / **re-appointment is a part of the Explanatory Statement annexed hereto and marked as Annexure I** to this notice.
8. Route map and prominent land mark for easy location of venue of the AGM is not provided in the Annual Report since Annual General Meeting is to be held through VC/OAVM.
9. To support green initiative of the Government in full measure, Members who have not registered their email ID or who wish to update the registered email ID, are requested to register the same with the Company's Registrar & Share Transfer Agents- KFin Technologies Pvt .Ltd.
10. The Registers required to be maintained under the Companies Act, 2013 and all documents referred to in the Notice will be made available for inspection. Members who seek inspection may write to us at ahmedabad@mafatlals.com

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.3 to 5 of the Notice.

In respect of Item No. 3:

In accordance with the provisions of Section 148(2) and 148(3) read with The Companies (Cost Records and Audit) Rules, 2014, the Company is required to appoint a Cost Auditor for the audit of cost accounting records relating to the Textiles Products of the Company maintained in compliance of the applicable provisions. Based on recommendation of the Audit Committee, the Board of Directors has appointed Mr. B. C. Desai as the Cost Auditor for conducting the cost audit for the year 1st April, 2020 to 31st March, 2021 on a proposed remuneration of ₹ 4,37,500/- (Rupees Four Lakhs Thirty Seven thousand Five Hundred only) plus taxes and re-imbursement of out of pocket expenses incurred for the purpose of audit. The Board of Directors recommend passing of the Resolution at Item No. 3 of the Notice.

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

In respect of Item No. 4

As reported to the shareholders in the Directors Report for the year 2016-17, Mr. H. A. Mafatlal, Mr. V. P. Mafatlal, their family members, family trusts and the Companies within their control including the three listed entities viz. the Company, Navin Fluorine International Limited (NFIL) and NOCIL Ltd. (NOCIL) entered into an agreement to amicably restructure the shareholding of the said listed entities and other companies in such a way that the Management of the Company and NOCIL reside with Mr. H. A. Mafatlal and the Management of NFIL reside with Mr. V. P. Mafatlal. The said restructuring was a part of family settlement and succession plan between the promoters. Pursuant to the said arrangement, in August 2016, Mr. H. A. Mafatlal stepped aside as the Executive Chairman and Director of NFIL. Thereupon, Mr. V. P. Mafatlal (who was then a Non-Executive Promoter Director of NFIL) was appointed as the Executive Chairman of NFIL. Besides, Mr. V. P. Mafatlal resigned as Executive Vice-Chairman (whole time director) of our Company and also resigned as Non-Executive Promoter Director of Nocil Ltd.

Later on, pursuant to the application made by Mr. H. A. Mafatlal, his family members and Companies/entities managed/controlled by him or his concerns, NFIL had, as approved by their Board of Directors and shareholders and the stock exchanges at which NFIL shares were listed, reclassified the said shareholding as non-promoter/ Public.

Similarly, pursuant to the application made by Mr. V. P. Mafatlal, his family members and Companies/entities managed/controlled by him or his concerns, the Company had also, pursuant to the approval by its Board of Directors and Shareholders and as approved by the Bombay Stock Exchange, reclassified their shareholding as non-promoter/ Public.

It may be noted that last year as per the disclosure made to the shareholders and also made to stock exchange vide disclosure dated 16th May, 2019 under which the Company shared that the Company had received applications for reclassification from 36 Trust Entities (as mentioned in notice of 105th AGM) holding less than 1% of the paid-up capital of the Company, seeking reclassification from promoters to public category for all purposes. These Trust entities are managed by our ex-promoter Mr. V. P. Mafatlal (who is already classified as public pursuant to the approval by the shareholders and Stock Exchange earlier). After getting consent from our shareholders for the said reclassification, we made application to stock exchange seeking reclassification. It may also be noted that the said 35 Trusts got amalgamated in to one Trust last year while application was under process at the stock exchange for reclassification. There have been communications exchanged with the stock exchange and later on the said application was not approved. The requisite disclosures were made by the Company under Regulation 31A of SEBI LODR about the same.

Recently, the Company received an application from following Trust / Entity (hereinafter referred to as "applicant") which is managed by Mr. V. P. Mafatlal and his associates/concerns (who were already classified as Public earlier vide requisite approvals) for reclassification of their status from "Promoter" and "Promoter Group" to "Public":

Name

Vishad P. Mafatlal Public Charitable Trust N0.1

No. of equity shares held as at 31st March, 2020

24,255

The said application was received by the Company on 11th May, 2020 and approved by the Board of Directors of our Company at the Meeting held on 12th May, 2020. The requisite disclosure was made by the Company under Regulation 31A of SEBI LODR about the receipt of the said application.

Mafatlal Industries Limited

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After obtaining approval from the members of the Company, the requisite applications seeking reclassification will be made by the Company in conformity with the applicable provisions of law. It is pertinent to note that the provisions of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, provides a regulatory mechanism for reclassification of "Promoter" as "Public Shareholders" subject to fulfillment of conditions as provided therein.

The application for reclassification had been made by the said applicant confirming the compliance of provisions of Regulation 31A including declaration that:

1. The applicants along with persons acting in consorts with them do not hold more than 10% of the paid-up equity capital in the Company. (their holding even less than 1% of the Paid-up Capital of the Company);
2. Neither the applicants nor their promoters directly or indirectly exercise control over affairs of the Company.;
3. The applicants do not have any special rights through formal or informal arrangements including through any shareholder agreements.;
4. The applicants are /shall not be represented on the Board of Directors (including not having a nominee director) of the Company.;
5. The applicants shall not act as Key Managerial Personnel of the Company.
6. The applicants are not willful defaulter as per RBI guidelines nor a fugitive economic offender.

In view of the aforesaid facts and circumstances, the Board of Directors recommends passing of the Resolution at Item No.4 as Ordinary Resolution.

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

In respect of Item No. 5

The members are aware that the Board of Directors of the Company appointed Mr. P. H. Mafatlal as a whole time director designated as Executive Director of the Company for a period of five years with effect from 1st November, 2016 which was approved by the Shareholders by way of a Special Resolution approving the said appointment and remuneration for the said period of five years at 103rd Annual General Meeting of the Company held on 2nd August, 2017. As per the said Special Resolution, the Board of Directors of the Company was authorised to amend, alter or vary in any manner, the terms and conditions of the said appointment (including remuneration) subject to the provisions of the Companies Act, 2013 and as may be agreed between the Board of Directors and Mr. P. H. Mafatlal. It was also resolved that in the event of absence or inadequacy of profits of the Company, he be paid the said remuneration as minimum remuneration subject to the terms and upto the maximum limits prescribed under Schedule V of the Companies Act, 2013. As provided in the provisions of the said schedule V, authorization under the said Special Resolution to pay the said remuneration as minimum remuneration in the event of absence or inadequacy of profits is valid for a period not exceeding three years.

As the said period of three years for payment of remuneration in case of absence of profits was expiring on 31st October, 2019, the Special Resolution was proposed and approved by the members by way of Postal Ballot carried in 2019 and accordingly, payment of remuneration to Mr. Priyavrata H. Mafatlal in the event of absence or inadequacy of profit for the remaining term of two years from 1st November, 2019 to 31st October, 2021 was approved.

The terms of remuneration of Mr. Priyavrata H. Mafatlal as approved by the members are as follows:

- 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. Mediciam 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, Mr. Priyavrata H. Mafatlal will also be entitled to:
- i. Free use of Company's car for the business of the Company with reimbursement of driver's salary.
 - ii. Free telephone facility at residence and use of mobile phone facility
 - iii. Reimbursement of expenses actually and properly incurred by him for the business of the Company.
- II. Commission, up to 1% of net profits of the Company at the discretion of the Board, at the end of each financial year, computed in the manner laid down in the provisions of Section 198 of the Companies Act, 2013 or performance linked incentives in lieu thereof subject to the ceiling laid down in Section 197 of the Companies Act, 2013 on total remuneration. Further that, the amount of such commission or performance linked incentives shall not exceed the amount equal to 2 (Two) times of the annual basic salary.
- III. In absence or inadequacy of profits in any financial year of the Company, Mr. Priyavrata H. Mafatlal will be entitled to salary, perquisites, and other allowances as the minimum remuneration subject to the maximum limits and conditions prescribed in Section II of Schedule V to the Companies Act, 2013. The following payments/ provisions shall not be included in the computation of remuneration or perquisites in terms of the provisions of Schedule V to the Companies Act, 2013 to the extents of:
- i. Contribution to Provident Fund, or Superannuation Fund or Annuity Fund to the extent these, either singly or together are not taxable under the Income Tax Act, 1961
 - ii. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service and
 - iii. Encashment of leave at the end of the tenure with liberty and authority to the Board of Directors of the Company to amend, alter or vary in any manner, the terms and conditions of said appointment or applicable agreement from time to time as may be permitted under the provisions of the Companies Act, 2013 or any amendment thereto or any re-enactment thereof and as may be agreed between the Board of Directors and Mr. Priyavrata H. Mafatlal.

He shall not be entitled to receive any 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.

It may also be noted that the provisions of Regulation 17(6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (which is applicable w.e.f. 1st April, 2019) requires that the fees or compensation payable to Executive Directors who are promoters or members of the promoter group shall be, subject to the approval of the shareholders by Special Resolution in General Meeting, if (i) the annual remuneration payable to such Executive Director exceeding ₹ 5 Crore or 2.5% of the net profits of the Company, whichever is higher or (ii) where there are more than one such Director the aggregate remuneration to such Directors exceeds 5% of the net profits of the Company. Accordingly, as approved by the Board, the shareholders passed by a Special Resolution through postal ballot (notice dated 16th May, 2019) authorizing the payment of remuneration (including the revisions if any as may be approved by the Board within the limits of schedule V to the Companies Act, 2013) for his balance term of two years from 1st November, 2019 to 31st October, 2021 on the said last remuneration approved by Board as minimum remuneration even in the event of absence of or inadequacy of profits of the Company subject to the maximum ceiling prescribed in Schedule V to the Companies Act, 2013.

Mr. Priyavrata H. Mafatlal has not been paid any commission or bonus based on the profitability of the Company during any time of his current tenure. The Board of Directors had, at their meeting held on 17th December, 2018 as recommended by NRC, appointed Mr. Priyavrata H. Mafatlal as Chief Executive Officer (CEO) of the Company with effect from 1st April, 2019 and appointed/re-designated him as CEO & Executive Director and a whole time managerial personnel under the provisions of Section 203 of the Companies Act, 2013. The said appointment and re-designation was also approved by the Members last year through Postal Ballot.

Recently, the Board of Directors has, at their meeting held on 27th June, 2020 (as recommended by NRC) approved the appointment of Mr. Priyavrata H. Mafatlal as Managing Director w.e.f. 1st July, 2020 subject to the approval of the members of the Company and accordingly re-designated him as Managing Director & Chief Executive Officer of the Company for his balance term upto 31st October, 2021.

The Board recommends the appointment and re-designation of Mr. Priyavrata H. Mafatlal as mentioned in the Resolution.

Mafatlal Industries Limited

106th Annual Report 2019-20

The information as required under para (iv) of Section II of Part II of Schedule V to the Companies Act, 2013 in respect of the appointment of Mr. Priyavrata H Mafatlal as Executive Director (Whole Time Director) were already provided to the shareholders as Annexure III to the Notice dated 5th May, 2017 convening 103rd Annual General Meeting where he was appointed as whole time director for a period of five years w.e.f. 1st November, 2016 till 31st October, 2021. The proposed appointment and re-designation of Mr. Priyavrata H Mafatlal as Managing Director (MD) and Chief Executive Officer (CEO) of the Company w.e.f. 1st July, 2020 will be without any change in the terms and conditions (including remuneration) already approved by the Members of the Company at the said 103rd AGM except the re-designation and appointment as MD & CEO. Hence, the said information though not provided here again but the same shall be deemed to be a part of this Explanatory Statement.

Copies of the Resolutions passed by the Nomination and Remuneration Committee, the Board of Directors, shareholders at 103rd Annual General Meeting and the Resolution approved by Postal Ballot as mentioned hereinabove and the letters of appointment issued 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 above Resolution except Mr. Priyavrata H. Mafatlal and his relatives including Mr. Hrishikesh A. Mafatlal being father of Mr. Priyavrata H. Mafatlal and also Chairman of the Company.

By Order of the Board
For **Mafatlal Industries Limited**

Place: Ahmedabad
Dated: 27th June , 2020

Ashish A. Karanji
Company Secretary (ACS :15561)

Regd. Office:

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

Annexure I to Notice

Particulars of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards issued by ICSI.

Name of the Director & Brief Resume/educational qualification	Nature of Expertise in specific functional area	Disclosure of relationship with other Directors, Managers, and Key Managerial Personnel or the Promoters of the Company	Names of the Listed Entities in which the person holds the directorship and membership of the committees of the Board.	Shareholding of the Director in the Company	No. of Board Meetings held and attended by Director during 2019-20
<p>Mr. Priyavrata H. Mafatlal (33 years) (DIN 02433237)</p> <p>He has done his Master of Commerce from Mumbai University. He has Bachelor's in Management Studies (with specialization in Marketing). He also attended 3 tier Management Programme at IIM , Ahmedabad and also done a Fashion Business Course from Istituto Marangoni, London (UK).</p> <p>He has been appointed as Executive Director of the Company w.e.f. 1st November, 2016 for a period of five years. Further he was appointed as Chief Executive Officer of the Company w.e.f. 1st April, 2019. He is an industrialist having experience of more than 12 years in the business.</p>	<p>Commercial, Finance, General Management, Domain Industry, Sales & Marketing, Science & Technology</p>	<p>He is related to (son of) Mr. Hrishikesh A. Mafatlal, Chairman of the Company.</p>	<p>He is Executive Director & Chief Executive Officer of Mafatlal Industries Limited. He is also a member of Share Transfer Committee.</p> <p>He is a Non- Executive Director of NOCIL Limited. He is also a member of the Share Transfer Committee</p>	<p>5,58,722 equity shares of ₹ 10/- each</p>	<p>Attended all the 6 meetings held.</p>

Remuneration paid to the Director/s seeking appointment/re-appointment:

Mr. Priyavrata H. Mafatlal, Chief Executive Officer & Executive Director of the Company has been paid remuneration of ₹ 62,48,768/- for 2019-20.

By Order of the Board
For **Mafatlal Industries Limited**

Place: Ahmedabad
Dated: 27th June , 2020

Ashish A. Karanji
Company Secretary (ACS :15561)

Regd. Office:

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



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

September 10, 2020

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400001, India
Stock Code: 500264

Dear Sir/Ma'am,

Sub.: Summary of proceedings of the 106th Annual General Meeting of the Company

Pursuant to Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the summary of proceedings of the 106th Annual General Meeting (AGM) of the Members (Shareholders) of the Company held on Thursday, September 10, 2020 at 12.30 p.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

The proceedings of the 106th AGM shall also be made available on the Company's website <https://www.mafatlals.com> under the "Financial & Disclosure" section.

This is for your information and record.

Thanking You,
Yours faithfully,

For Mafatlal Industries Limited

Ashish A. Karanji
Company Secretary

Encl.: a/a



ARVIND MAFATLAL GROUP
The ethics of excellence

Summary of proceedings of the 106th Annual General Meeting

- The 106th AGM of the Company was held on Thursday, September 10, 2020 at 12.30 P.M. (IST) through VC / OAVM.
- Mr. Hrishikesh A. Mafatlal chaired the Meeting.
- The Chairman welcomed all the Members present at the Meeting and informed them that the Meeting was held through Video Conferencing (VC) / other Audio Video Mode (OAVM) in compliance with the applicable provisions of the Companies Act, 2013 read with the Rules made thereunder and Circulars issued by MCA and SEBI. He also informed them that the Company had taken all efforts feasible under the prevailing circumstances to enable Members to participate in the Meeting and vote at the resolutions being considered thereat.
- All the Board Members were present in the Meeting through VC/OAVM. Chairman introduced all the Directors, Company Secretary and Chief Financial Officer. The Statutory Auditors, Secretarial Auditors, Cost Auditors and the Scrutinizer for the e-voting process were also present during the Meeting through VC / OAVM.
- The requisite quorum being present, the Chairman called the Meeting to order.
- Mr. Ashish A. Karanji, Company Secretary, explained the general instructions for the Meeting and for inspection of documents by Members.
- It was informed to the shareholder that the Company had provided facility for remote e-voting to Members through KFin Technologies Private Limited in respect of all resolutions set out in the Notice of the AGM. The remote e-voting period commenced on September 7, 2020 at 09.00 a.m. (IST) and ended on September 9, 2020 at 05.00 p.m. (IST). For Members who had not exercised their right to vote by remote e-voting, the facility of e-voting at the AGM was made available by 'Insta Poll'.
- Mr. Umesh Ved & Associates, Practicing Company Secretary, was appointed as Scrutinizer for the e-voting process. Mr. Ashish A. Karanji was authorised by the Chairman to countersign the Scrutinizer's Report and declare the voting results on receipt of Scrutinizer's Report.
- The Notice convening the AGM was taken as read. As the Statutory Audit Report and Secretarial Audit Report did not contain any qualifications/adverse remarks, they were not read at the meeting.
- Thereafter, the Chairman delivered his speech.
- The Company had received few requests from Members to register themselves as speakers at the Meeting. The Chairman after appraising the members about the working of the Company, invited 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 following business items as mentioned in the Notice of AGM dated June 27, 2020, were transacted at the Meeting:



MAFATLAL INDUSTRIES LIMITED

Regd. Office : 301-302, Heritage Horizon, 3rd Floor, Off. C.G. Road,
Navrangpura, Ahmedabad 380 009. Email : ahmedabad@mafatlals.com
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-2-

ORDINARY BUSINESS:

- 1) Adoption of Audited Financial Statements (Standalone & Consolidated, both) including Statement of Profit & Loss for the year ended 31st March, 2020 and the Balance Sheet as at date, the Directors' Report and the Auditor's Report thereon.
- 2) Appointment of Mr. Priyavrata H. Mafatlal (holding DIN 02433237) who retires by rotation being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

- 3) Approval of remuneration payable to Mr. Bhalchandra C. Desai, Cost Accountant, Ahmedabad as the Cost Auditor of the Company for the year 2020-21.
 - 4) Approval of Reclassification of Vishad P Mafatlal Public Charitable Trust NO.1 (holding 24,255 equity share of Rs.10/- each) from existing "Promoter" and "Promoter Group" category to "Public"/General shareholders category for all purposes in accordance with the provision of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - 5) Appointment and Re-designation of Mr. Priyavrata H. Mafatlal as Managing Director and Chief Executive Officer of the Company w.e.f. 1st July, 2020 till 31st October, 2021.
- The Chairman expressed his gratitude towards all Members for participating. The e-voting (insta poll) facility at the AGM kept open for 15 minutes after the conclusion of Chairman's speech.
 - The Chairman announced that the e-voting results along with the consolidated Scrutinizer's Report shall be informed to Stock Exchanges within permissible time of 48 hours from the conclusion of this Meeting and also be placed on the website of the Company, KFin Technologies Pvt. Ltd. and Stock Exchange. The meeting concluded at 01.50 p.m. after being kept open for 15 minutes for e-voting (insta poll).
 - The voting results with the Scrutinizer's Report will be submitted to the Stock Exchanges in due course.

Kindly take this information on records.

Thanking you,

Yours faithfully,
For Mafatlal Industries Limited


Ashish A. Karanji
Company Secretary



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September 10, 2020

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400001, India
Stock Code: 500264

Dear Sir/Ma'am,

Sub.: Voting Results and Scrutinizer's Report pertaining to the 106th Annual General Meeting

Further to our communication of even date forwarding therewith the summary of proceedings of the 106th Annual General Meeting (AGM) of the Members of the Company held on Thursday, September 10, 2020 at 12.30. p.m. (IST) through Video Conferencing / Other Audio Visual Means, we now submit herewith the following:

- 1) Voting Results pursuant to Regulation 44(3) on SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Annexure – I)
- 2) Scrutinizer's Report (Combined on remote e-voting and e-voting at the AGM) dated September 10, 2020. (Annexure – II)

Accordingly, as per the said Scrutinizer's Report, all the five Resolutions as mentioned in the Notice of 106th AGM dated June 27, 2020 have been passed by the Members of the Company with the requisite majority as follows:

Sr. No.	Item Description	Type of Resolution	Approval given by Shareholders
Ordinary Business			
1	Adoption of Audited Financial Statements (Standalone & Consolidated, both) including Statement of Profit & Loss for the year ended 31 st March, 2020 and the Balance Sheet as at date, the Directors' Report and the Auditor's Report thereon.	Ordinary Resolution	Requisite majority
2	Appointment of Mr. Priyavrata H. Mafatlal (holding DIN 02433237) as a Director of the Company to retire by rotation.	Ordinary Resolution	Requisite majority



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-2-

Sr. No.	Item Description	Type of Resolution	Approval given by Shareholders
Special Business			
3	Approval of remuneration payable to Mr. Bhalchandra C. Desai, Cost Accountant, Ahmedabad as the Cost Auditor of the Company for the year 2020-21.	Ordinary Resolution	Requisite majority
4	Approval of Reclassification of Vishad P Mafatlal Public Charitable Trust NO.1 (holding 24,255 equity share of Rs.10/- each) from existing "Promoter" and "Promoter Group" category to "Public"/General shareholders category for all purposes in accordance with the provision of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Ordinary Resolution	Requisite majority
5	Appointment and Re-designation of Mr. Priyavrata H. Mafatlal as Managing Director and Chief Executive Officer of the Company w.e.f. 1st July, 2020 till 31st October, 2021.	Special Resolution	Requisite majority

The aforesaid documents shall also be made available on the Company's website <https://www.mafatlals.com> under the "Financial & Disclosure" section.

This is for your information and record.

Thanking You,

Yours faithfully,

For Mafatlal Industries Limited

Ashish A. Karanji
Company Secretary

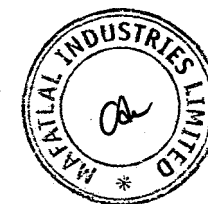
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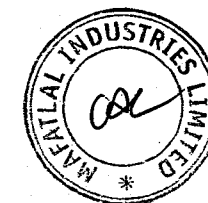
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	MAFATLAL INDUSTRIES LTD
Date of the AGM/EGM	10-09-2020
Total number of shareholders on record date	100466
No. of shareholders present in the meeting either in person or through proxy:	
Promoters and Promoter Group:	Not Applicable
Public:	Not Applicable
No. of Shareholders attended the meeting through Video Conferencing	
Promoters and Promoter Group:	17
Public:	42

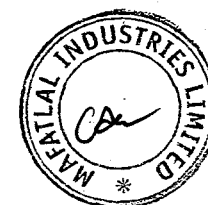
Resolution No.	1									
Resolution required: (Ordinary/ Special)	ORDINARY - Approval of audited financial statements standalone consolidated both for the financial year ended on 31st March, 2020 including statement of Profit Loss Account for the year ended 31st March, 2020 and the Balance Sheet as at that date, the Directors Report and the Auditors Report thereon									
Whether promoter/ promoter group are interested in the agenda/resolution?	No									
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	Votes Invalid	Votes Abstained
Promoter and Promoter Group	E-Voting	1,00,28,749	1,00,28,249	99.9950	1,00,28,249	0	100.0000	0.0000	0	0
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		1,00,28,249	99.9950	1,00,28,249	0	100.0000	0.0000	0	0
Public- Institutions	E-Voting	3,60,490	0	0.0000	0	0	0.0000	0.0000	0	0
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		0	0	0	0	0.0000	0.0000	0	0
Public- Non Institutions	E-Voting	35,23,647	48,550	1.3778	48,539	11	99.9773	0.0226	0	0
	Poll		267	0.0076	267	0	100.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		48,817	1.3854	48,806	11	99.9775	0.0225	0	0
Total		1,39,12,686	1,00,28,249	72.4297	1,00,28,249	11	99.9999	0.0001	0	0



Resolution No.	2									
Resolution required: (Ordinary/ Special)	ORDINARY - Reappointment of Mr. Priyavrata H Mafatlal DIN 02433237 who retires by rotation and being eligible, offers himself for re appointment as director of the Company									
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	Votes Invalid	Votes Abstained
Promoter and Promoter Group	E-Voting	1,00,28,749	1,00,28,249	99.9950	1,00,28,249	0	100.0000	0.0000	0	0
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		1,00,28,249	99.9950	1,00,28,249	0	100.0000	0.0000	0	0
Public- Institutions	E-Voting	3,60,490	0	0.0000	0	0	0.0000	0.0000	0	0
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		0	0	0	0	0.0000	0.0000	0	0
Public- Non Institutions	E-Voting	35,23,647	48,550	1.3778	48,539	11	99.9773	0.0226	0	0
	Poll		267	0.0076	267	0	100.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		48,817	1.3854	48,806	11	99.9775	0.0225	0	0
Total		1,39,12,686	1,00,77,066	72.4297	1,00,77,055	11	99.9999	0.0001	0	0



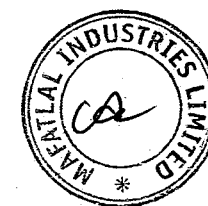
Resolution No.	3									
Resolution required: (Ordinary/ Special)	ORDINARY - Approval of remuneration payment to Cost Auditor Mr. B C Desai for the year 2020-21.									
Whether promoter/ promoter group are interested in the agenda/resolution?	No									
Category	Mode of Voting	No. of shares held (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	Votes Invalid	Votes Abstained
Promoter and Promoter Group	E-Voting	1,00,28,749	1,00,28,249	99.9950	1,00,28,249	0	100.0000	0.0000	0	0
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		1,00,28,249	99.9950	1,00,28,249	0	100.0000	0.0000	0	0
Public- Institutions	E-Voting	3,60,490	0	0.0000	0	0	0.0000	0.0000	0	0
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		0	0	0	0	0.0000	0.0000	0	0
Public- Non Institutions	E-Voting	35,23,647	48,550	1.3778	48,539	11	99.9773	0.0226	0	0
	Poll		267	0.0076	267	0	100.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		48,817	1.3854	48,806	11	99.9775	0.0225	0	0
Total		1,38,12,886	1,00,27,066	72.4297	1,00,27,055	11	99.9996	0.0004	0	0



Resolution No.	4									
Resolution required: (Ordinary/ Special)	ORDINARY - Approval of Reclassification of Vishad P Mafatlal Public Charitable Trust No.1, a shareholder from Promoters to Non PromoterPublic shareholder for all purposes under Regulation 31A of SEBI LODR, 2015.									
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	Votes Invalid	Votes Abstained
Promoter and Promoter Group	E-Voting	1,00,28,749	1,00,03,994	99.7532	1,00,03,994	0	100.0000	0.0000	0	24,255
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		1,00,03,994	99.7532	1,00,03,994	0	100.0000	0.0000	0	24,255
Public- Institutions	E-Voting	3,60,490	0	0.0000	0	0	0.0000	0.0000	0	0
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		0	0	0	0	0.0000	0.0000	0	0
Public- Non Institutions	E-Voting	35,23,647	48,550	1.3778	48,539	11	99.9773	0.0226	0	0
	Poll		267	0.0076	267	0	100.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		48,817	1.3854	48,806	11	99.9775	0.0225	0	0
Total		1,39,12,886	1,00,03,994	99.7532	1,00,03,994	11	99.9775	0.0225	0	24,255



Resolution No.	5									
Resolution required: (Ordinary/ Special)	SPECIAL - Appointment and re-designation of Mr. Priyavrata H Mafatlal as Managing Director Chief Executive Officer of the Company w.e.f.1st July, 2020 till 31st October, 2021.									
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	Votes Invalid	Votes Abstained
Promoter and Promoter Group	E-Voting	1,00,28,749	1,00,28,249	99.9950	1,00,28,249	0	100.0000	0.0000	0	0
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		1,00,28,249	99.9950	1,00,28,249	0	100.0000	0.0000	0	0
Public- Institutions	E-Voting	3,60,490	0	0.0000	0	0	0.0000	0.0000	0	0
	Poll		0	0.0000	0	0	0.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		0	0	0	0	0.0000	0.0000	0	0
Public- Non Institutions	E-Voting	35,23,647	48,550	1.3778	48,539	11	99.9773	0.0226	0	0
	Poll		267	0.0076	267	0	100.0000	0.0000	0	0
	Postal Ballot (if applicable)		0	0.0000	0	0	0.0000	0.0000	0	0
	Total		48,817	1.3854	48,806	11	99.9775	0.0225	0	0
Total		1,39,12,686	1,00,77,066	72.4287	1,00,77,065	11	99.9988	0.0012	0	0



**UMESH VED & ASSOCIATES**
Company Secretaries

304, Shoppers Plaza-V, Opp. Municipal Market, C. G. Road, Navrangpura, Ahmedabad - 380 009.

Telefax : (O) +91 79 26464153, 48904153 • 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]

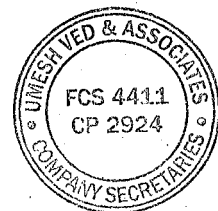
To,
The Chairman,
Mafatlal Industries Limited
301-302, Heritage Horizon,
3rd Floor, Off. C.G. Road,
Navrangpura,
Ahmedabad-380009.

Re: 106th Annual General Meeting (AGM) of Mafatlal Industries Limited held on Thursday, the 10th September, 2020 at 12:30p.m. held through video conferencing/other audio visual means.

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 106th AGM of the Members of "Mafatlal Industries Limited" (the Company) held on Thursday, the 10th September, 2020 at 12:30 p.m. held through video conferencing/other audio visual means.

My responsibility as a scrutinizer for the voting process is restricted to preparing a Scrutinizer's Report of the votes casted "in favour" or "against" the resolution(s) based on the reports generated from the Remote e-voting system and insta polling provided by the KFin Technologies Private Limited (the Agency/ service provider).



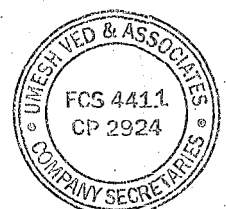
I submit my report as under:

- i. The notice dated 27th June, 2020 as confirmed by the Company was sent to the shareholders in respect of the below mentioned resolutions passed at the AGM of the Company through electronic mode to those Members whose email addresses are registered with the Company/ Depositories, in compliance with the MCA Circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") and SEBI Circular dated May 12, 2020.
- ii. The Company has availed the e-voting facility offered by KFin Technologies Private Limited for conducting remote e-voting and voting at the AGM by the shareholders of the Company.
- iii. The shareholders of the Company holding shares as on the "cut-off" date 3rd September, 2020 were entitled to vote on the proposed resolutions as set out in item nos. 1 to 5 in the Notice of the 106th AGM of Mafatlal Industries Limited.
- iv. The facility provided for Remote E-Voting commenced from 9.00 A.M. on Monday, the 7th September, 2020 and ended on 5.00 P.M. on Wednesday, the 9th September, 2020. The Remote E-voting facility was blocked thereafter.
- v. The Company had also provided e-voting facility to the shareholders present at the AGM through VC/ OAVM and who had not cast their vote earlier
- vi. After the closure of e-voting at the AGM, the report on voting done at the AGM through insta poll done and the votes cast under remote e-voting facility prior to the AGM were unblocked and were counted.
- vii. The voting done through Remote E-voting and Insta Poll at the meeting were reconciled with the records maintained by the RTA and the authorizations lodged with the Company.
- viii. The result of the Remote e-voting as well as Insta Polling at the AGM is as under:

- (1). **ORDINARY RESOLUTION** for Adoption of Audited Financial Statements (Standalone & Consolidated both) including the statement of Profit and Loss for the year ended 31st March, 2020 and the 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)	Number of Votes Cast by them	% of total number of Valid votes cast
Remote Evoting	67	10076788	99.9999
Insta Poll (AGM)	10	267	100
Total	77	10077055	99.9999



Voted against of the Resolution

Type of Voting	Number of members present and voting (in person)	Number of Votes Cast by them	% of total number of Valid votes cast
Remote Evoting	3	11	0.0001
Insta Poll (AGM)	0	0	0
Total	3	11	0.0001

(2) **ORDINARY RESOLUTION** for Re-appointment of Priyavrata H. Mafatlal(DIN: 02433237), a Director who retires by rotation.

Voted in Favour of the Resolution

Type of Voting	Number of members present and voting (in person)	Number of Votes Cast by them	% of total number of Valid votes cast
Remote Evoting	67	10076788	99.9999
Insta Poll (AGM)	10	267	100
Total	77	10077055	99.9999

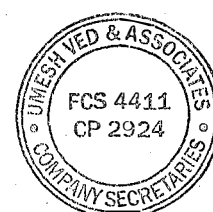
Voted against of the Resolution

Type of Voting	Number of members present and voting (in person)	Number of Votes Cast by them	% of total number of Valid votes cast
Remote Evoting	3	11	0.0001
Insta Poll (AGM)	0	0	0
Total	3	11	0.0001

(3) **ORDINARY RESOLUTION** for Approval of remuneration to Mr. B C Desai, Cost Auditor of the Company for the year 2020-21.

Voted in Favour of the Resolution

Type of Voting	Number of members present and voting (in person)	Number of Votes Cast by them	% of total number of Valid votes cast
Remote Evoting	67	10076788	99.9999
Insta Poll (AGM)	10	267	100
Total	77	10077055	99.9999



Voted against of the Resolution

Type of Voting	Number of members present and voting (in person)	Number of Votes Cast by them	% of total number of Valid votes cast
Remote Evoting	3	11	0.0001
Insta Poll (AGM)	0	0	0
Total	3	11	0.0001

- (4) **ORDINARY RESOLUTION** for Approval of Reclassification of Vishad P Mafatlal, Public Charitable Trust No.1, a shareholder from Promoter to Non Promoter Public shareholder for all purposes under Regulation 31A of SEBI LODR, 2015.

Voted in Favour of the Resolution

Type of Voting	Number of members present and voting (in person)	Number of Votes Cast by them	% of total number of Valid votes cast
Remote Evoting	66	10052533	99.9999
Insta Poll (AGM)	10	267	100.00
Total	76	10052800	99.9999

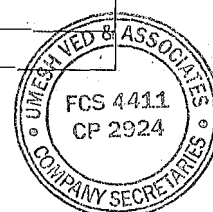
Voted against of the Resolution

Type of Voting	Number of members present and voting (in person)	Number of Votes Cast by them	% of total number of Valid votes cast
Remote Evoting	3	11	0.0001
Insta Poll (AGM)	0	0	0
Total	3	11	0.0001

- (5) **SPECIAL RESOLUTION** Appointment and re-designation of Mr. Priyavrata H Mafatlal as Managing Director and Chief Executive Officer of the Company w.e.f.1st July, 2020 till 31st October, 2021.

Voted in Favour of the Resolution

Type of Voting	Number of members present and voting (in person)	Number of Votes Cast by them	% of total number of Valid votes cast
Remote Evoting	67	10076788	99.9999
Insta Poll (AGM)	10	267	100
Total	77	10077055	99.9999



Continuation Sheet

Voted against of the Resolution

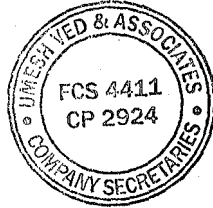
Type of Voting	Number of members present and voting (in person)	Number of Votes Cast by them	% of total number of Valid votes cast
Remote Evoting	3	11	0.0001
Insta Poll (AGM)	0	0	0
Total	3	11	0.0001

- ix. 1 shareholder holding 24255 shares who opted for e-voting found abstained from voting of resolution no. 4.
- x. All the resolutions mentioned in the AGM Notice as per details above accordingly stand passed with requisite majority.
- xi. 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,

UmeshVed
UmeshVed & Associates
Company Secretaries
FCS No: 4411
CP No: 2924
UDIN: F004411B000693550



Ashish A Karanji
Company secretary

Date: 10/09/2020

Place: Ahmedabad

ANNUAL REPORT
106TH
2019-2020



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 that we periodically make, contain forward-looking statements that sets out anticipated results based on the management's plans and assumptions. We have tried, wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', hopefully, optimistic, likely, projects, intends', 'plans', believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risk or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

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

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Mafatlal Industries Limited

106th Annual Report 2019-20

Corporate Information

Mafatlal Industries Limited

(CIN: L17110GJ1913PLC000035)

Board of Directors

Mr. H. A. Mafatlal	(DIN:00009872)	Chairman
Mr. V. R. Gupte	(DIN:00011330)	Director
Mr. P. N. Kapadia	(DIN:00078673)	Director
Mr. A. K. Srivastava	(DIN:00046776)	Director
Mrs. L. P. Pradhan	(DIN:07118801)	Director
Mr. G. G. Chakravarti	(DIN:00004399)	Director
Mr. S. A. Shah	(DIN:00058019)	Director
Mr. P. H. Mafatlal	(DIN: 02433237)	Chief Executive Officer & Executive Director

Chief Financial Officer

Mr. M. P. Shah

Company Secretary

Mr. A. A. Karanji

Auditors

M/s. Price Waterhouse Chartered Accountants LLP

Solicitors

Vigil Juris, Mumbai

Registered Office

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

Email: ahmedabad@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

Shareholders' Information

106th Annual General Meeting on Thursday, the 10th day of September, 2020 at 12.30 P.M. through Video Conferencing or Other Audio-Visual Means (VC/OAVM)

Registrar & Share Transfer Agents

KFin Technologies Pvt. Ltd.

Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana, India Tel: 040 6716 2222

Fax: 040 2342 0814 E-mail: einward.ris@kfintech.com

website: www.kfintech.com

Investor Relations Centre

KFin Technologies Pvt. Ltd.

(1) Ahmedabad Office

Office No. 401 on 4th Floor, ABC-I, Off. C.G. Road, Ahmedabad 380009.

Contact No. : 9081903021/9081903022

email id : ahmedabadmfd@kfintech.com

(2) Mumbai Office

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

Notes

- Trading in Equity Shares of the Company is permitted only in dematerialized form as per notification issued by SEBI. Demat Code of Mafatlal Industries Limited ISIN: INE270B01027.
- The Shares of the Company are listed on BSE Ltd. and the Listing Fee for the Exchange have been paid by the Company for the year 2020-21.
- Shareholders are requested to notify change in address, if any, immediately to the Registrar & Share 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 download their copy of the Annual Report from the Company's website www.mafatlals.com under "Financial & Disclosure" Section, which is available for download by shareholders.
- Shareholders who want to speak at the AGM are required to get themselves registered by following the instructions provided therefor.
- Instructions for E-Voting, attending the Annual General Meeting through Video Conferencing (VC/OAVM), and other instructions, are posted on Company's website www.mafatlals.com and also sent to concerned shareholders whose email id is registered with us.**
Please note E-VOTING Timing :
 - Commencement of remote E-Voting from 9.00 a.m. on Monday 7th September, 2020**
 - End of remote E-Voting 5.00 p.m. on Wednesday 9th September, 2020**
 - At the AGM – digital voting will be allowed to shareholders who have not voted in remote E-Voting as per permitted norms**
 - Declaration of Results of Voting: within 48 Hours of 106th AGM. (results will be posted on Company's website and also uploaded on BSE website.**

NOTICE

NOTICE IS HEREBY GIVEN THAT the 106th Annual General Meeting ("AGM") of the Members of Mafatlal Industries Limited will be held on Thursday, the 10th day of September, 2020 at 12.30 PM through Video Conferencing / Other Audio Visual Means as permitted, to transact the following business:

ORDINARY BUSINESS

- (1) To consider and adopt the Audited Financial Statements (Standalone & Consolidated, both) for the financial year ended 31st March, 2020 including Statement of Profit & Loss for the year ended 31st March, 2020 and the Balance Sheet as at that date, the Directors' Report and the Auditor's Report thereon.
- (2) To appoint a Director in place of Mr. Priyavrata H. Mafatlal (holding DIN 02433237) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

- (3) 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 ₹ 4,37,500/- (Rupees Four Lakhs Thirty Seven thousand Five Hundred only) (plus taxes and re-imbursement of out-of-pocket expenses incurred by him for the purpose of Audit) to Mr. Bhalchandra C. Desai, Cost Auditor, (Membership No. M-1077), for conducting the audit of Cost Accounting Records relating to the products 'Textiles' manufactured and traded by the Company for the year 1st April 2020 to 31st March 2021 be and is hereby approved and ratified."
- (4) To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

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

Name

Vishad P Mafatlal Public Charitable Trust NO.1

No. of equity shares held as at 31st March, 2020

24,255

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

- (5) 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 Section 196, 197, 198 and other applicable provisions, if any read with Schedule V to the Companies Act, 2013 ('the Act') and the rules made thereunder including any statutory modification/s or re-enactment/s thereof, for the time being in force and in partial modification of earlier Resolutions, approval of the members of the Company be and is hereby accorded for the appointment of and re-designation of Mr. Priyavrata H. Mafatlal, (who is currently Chief Executive Officer & Executive Director) as Managing Director and Chief Executive Officer of the Company w.e.f. 1st July, 2020 for his remaining term of current appointment which is valid till 31st October, 2021 on the same terms and conditions of his appointment (except the changes as aforesaid) including the remuneration as approved by the members earlier as mentioned in the Explanatory Statement."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits of the Company in any financial year, Mr. Priyavrata H. Mafatlal be paid the said remuneration as minimum remuneration subject to the terms and up to the maximum limits prescribed under Schedule V to the Companies Act, 2013 as may be approved by the Board of Directors of the Company from time to time with liberty and authority to increase, amend, alter or vary in any manner the remuneration within the said limits and the terms and conditions of his appointment."

"RESOLVED FURTHER THAT Mr. Priyavrata H. Mafatlal as the Managing Director & CEO of the Company shall continue to be the whole time Key Managerial Person of the Company as contemplated under the provisions of Section 203 of the Act."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above Resolution."

By Order of the Board
For Mafatlal Industries Limited

Place: Ahmedabad
Dated: 27th June, 2020

Ashish A. Karanji
Company Secretary (ACS :15561)

Regd. Office:

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

NOTES

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. Generally, a member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
2. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of **Item Nos. 3 to 5** mentioned in the above Notice, is annexed hereto and marked as **Annexure I** to this notice.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from **Friday, 4th day of September, 2020 to Thursday, 10th day of September, 2020 (both days inclusive) for the purpose of annual closing and Annual General Meeting.**
4. The annual report interalia containing AGM Notice and other disclosures, will be posted on the Company's website under "Financial & Disclosures" Section at www.mafatlals.com. (available for free download and review from the website). The Notice of the AGM forms part of the Annual Report 2019-20 and is being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/DP in conformity with the MCA & SEBI Circulars. Those members, who wish to receive paper copy of the Annual Report may write to us on our email: ahmedabad@mafatlals.com. The Company will make sincere attempt to send out the paper copy once postal authorities or other modes of delivery resumes normal working. The Annual General Meeting shall be through Video Conferencing/Other Audio Visual Means. However for the purpose of record /jurisdiction the deemed place of Meeting shall be the Registered Office of the Company at 301-302, Heritage Horizon, Off C G Road, Navrangpura, Ahmedabad 380009
5. As required under the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and other applicable provisions, E-Voting facility is being provided to the Members. Details of the E-Voting process and other relevant details are being sent to the Members along with the Notice.
6. Members are requested to note that pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, **all equity shares of the Company on which dividend for the year 2012-13 has not been paid or claimed for 7 consecutive years or more shall be required to be transferred by the Company to Investor Education and Protection Fund on or after 5th August, 2020.** The details of the Members, who have not encashed their dividend warrants for earlier years and whose shares are liable to be transferred to the IEPF Authority if they do not encash their dividend prior to 4th August, 2020, are put on the Company's website www.mafatlals.com under the 'Financials & Disclosures' Section. Hence, Members who have not encashed their dividend warrants for the earlier year/s are advised to write to the Company immediately claiming their dividends declared by the Company.
7. Pursuant to the Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with applicable Secretarial Standards issued by ICSI, the requisite information interalia containing the remuneration paid to the Director seeking appointment / **re-appointment is a part of the Explanatory Statement annexed hereto and marked as Annexure I** to this notice.
8. Route map and prominent land mark for easy location of venue of the AGM is not provided in the Annual Report since Annual General Meeting is to be held through VC/OAVM.
9. To support green initiative of the Government in full measure, Members who have not registered their email ID or who wish to update the registered email ID, are requested to register the same with the Company's Registrar & Share Transfer Agents- KFin Technologies Pvt .Ltd.
10. The Registers required to be maintained under the Companies Act, 2013 and all documents referred to in the Notice will be made available for inspection. Members who seek inspection may write to us at ahmedabad@mafatlals.com

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.3 to 5 of the Notice.

In respect of Item No. 3:

In accordance with the provisions of Section 148(2) and 148(3) read with The Companies (Cost Records and Audit) Rules, 2014, the Company is required to appoint a Cost Auditor for the audit of cost accounting records relating to the Textiles Products of the Company maintained in compliance of the applicable provisions. Based on recommendation of the Audit Committee, the Board of Directors has appointed Mr. B. C. Desai as the Cost Auditor for conducting the cost audit for the year 1st April, 2020 to 31st March, 2021 on a proposed remuneration of ₹ 4,37,500/- (Rupees Four Lakhs Thirty Seven thousand Five Hundred only) plus taxes and re-imbursement of out of pocket expenses incurred for the purpose of audit. The Board of Directors recommend passing of the Resolution at Item No. 3 of the Notice.

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

In respect of Item No. 4

As reported to the shareholders in the Directors Report for the year 2016-17, Mr. H. A. Mafatlal, Mr. V. P. Mafatlal, their family members, family trusts and the Companies within their control including the three listed entities viz. the Company, Navin Fluorine International Limited (NFIL) and NOCIL Ltd. (NOCIL) entered into an agreement to amicably restructure the shareholding of the said listed entities and other companies in such a way that the Management of the Company and NOCIL reside with Mr. H. A. Mafatlal and the Management of NFIL reside with Mr. V. P. Mafatlal. The said restructuring was a part of family settlement and succession plan between the promoters. Pursuant to the said arrangement, in August 2016, Mr. H. A. Mafatlal stepped aside as the Executive Chairman and Director of NFIL. Thereupon, Mr. V. P. Mafatlal (who was then a Non-Executive Promoter Director of NFIL) was appointed as the Executive Chairman of NFIL. Besides, Mr. V. P. Mafatlal resigned as Executive Vice-Chairman (whole time director) of our Company and also resigned as Non-Executive Promoter Director of Nocil Ltd.

Later on, pursuant to the application made by Mr. H. A. Mafatlal, his family members and Companies/entities managed/controlled by him or his concerns, NFIL had, as approved by their Board of Directors and shareholders and the stock exchanges at which NFIL shares were listed, reclassified the said shareholding as non-promoter/ Public.

Similarly, pursuant to the application made by Mr. V. P. Mafatlal, his family members and Companies/entities managed/controlled by him or his concerns, the Company had also, pursuant to the approval by its Board of Directors and Shareholders and as approved by the Bombay Stock Exchange, reclassified their shareholding as non-promoter/ Public.

It may be noted that last year as per the disclosure made to the shareholders and also made to stock exchange vide disclosure dated 16th May, 2019 under which the Company shared that the Company had received applications for reclassification from 36 Trust Entities (as mentioned in notice of 105th AGM) holding less than 1% of the paid-up capital of the Company, seeking reclassification from promoters to public category for all purposes. These Trust entities are managed by our ex-promoter Mr. V. P. Mafatlal (who is already classified as public pursuant to the approval by the shareholders and Stock Exchange earlier). After getting consent from our shareholders for the said reclassification, we made application to stock exchange seeking reclassification. It may also be noted that the said 35 Trusts got amalgamated in to one Trust last year while application was under process at the stock exchange for reclassification. There have been communications exchanged with the stock exchange and later on the said application was not approved. The requisite disclosures were made by the Company under Regulation 31A of SEBI LODR about the same.

Recently, the Company received an application from following Trust / Entity (hereinafter referred to as "applicant") which is managed by Mr. V. P. Mafatlal and his associates/concerns (who were already classified as Public earlier vide requisite approvals) for reclassification of their status from "Promoter" and "Promoter Group" to "Public":

Name

Vishad P. Mafatlal Public Charitable Trust N0.1

No. of equity shares held as at 31st March, 2020

24,255

The said application was received by the Company on 11th May, 2020 and approved by the Board of Directors of our Company at the Meeting held on 12th May, 2020. The requisite disclosure was made by the Company under Regulation 31A of SEBI LODR about the receipt of the said application.

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After obtaining approval from the members of the Company, the requisite applications seeking reclassification will be made by the Company in conformity with the applicable provisions of law. It is pertinent to note that the provisions of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, provides a regulatory mechanism for reclassification of "Promoter" as "Public Shareholders" subject to fulfillment of conditions as provided therein.

The application for reclassification had been made by the said applicant confirming the compliance of provisions of Regulation 31A including declaration that:

1. The applicants along with persons acting in consorts with them do not hold more than 10% of the paid-up equity capital in the Company. (their holding even less than 1% of the Paid-up Capital of the Company);
2. Neither the applicants nor their promoters directly or indirectly exercise control over affairs of the Company.;
3. The applicants do not have any special rights through formal or informal arrangements including through any shareholder agreements.;
4. The applicants are /shall not be represented on the Board of Directors (including not having a nominee director) of the Company.;
5. The applicants shall not act as Key Managerial Personnel of the Company.
6. The applicants are not willful defaulter as per RBI guidelines nor a fugitive economic offender.

In view of the aforesaid facts and circumstances, the Board of Directors recommends passing of the Resolution at Item No.4 as Ordinary Resolution.

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

In respect of Item No. 5

The members are aware that the Board of Directors of the Company appointed Mr. P. H. Mafatlal as a whole time director designated as Executive Director of the Company for a period of five years with effect from 1st November, 2016 which was approved by the Shareholders by way of a Special Resolution approving the said appointment and remuneration for the said period of five years at 103rd Annual General Meeting of the Company held on 2nd August, 2017. As per the said Special Resolution, the Board of Directors of the Company was authorised to amend, alter or vary in any manner, the terms and conditions of the said appointment (including remuneration) subject to the provisions of the Companies Act, 2013 and as may be agreed between the Board of Directors and Mr. P. H. Mafatlal. It was also resolved that in the event of absence or inadequacy of profits of the Company, he be paid the said remuneration as minimum remuneration subject to the terms and upto the maximum limits prescribed under Schedule V of the Companies Act, 2013. As provided in the provisions of the said schedule V, authorization under the said Special Resolution to pay the said remuneration as minimum remuneration in the event of absence or inadequacy of profits is valid for a period not exceeding three years.

As the said period of three years for payment of remuneration in case of absence of profits was expiring on 31st October, 2019, the Special Resolution was proposed and approved by the members by way of Postal Ballot carried in 2019 and accordingly, payment of remuneration to Mr. Priyavrata H. Mafatlal in the event of absence or inadequacy of profit for the remaining term of two years from 1st November, 2019 to 31st October, 2021 was approved.

The terms of remuneration of Mr. Priyavrata H. Mafatlal as approved by the members are as follows:

- (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. Mediciam 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, Mr. Priyavrata H. Mafatlal will also be entitled to:
- i. Free use of Company's car for the business of the Company with reimbursement of driver's salary.
 - ii. Free telephone facility at residence and use of mobile phone facility
 - iii. Reimbursement of expenses actually and properly incurred by him for the business of the Company.
- II. Commission, up to 1% of net profits of the Company at the discretion of the Board, at the end of each financial year, computed in the manner laid down in the provisions of Section 198 of the Companies Act, 2013 or performance linked incentives in lieu thereof subject to the ceiling laid down in Section 197 of the Companies Act, 2013 on total remuneration. Further that, the amount of such commission or performance linked incentives shall not exceed the amount equal to 2 (Two) times of the annual basic salary.
- III. In absence or inadequacy of profits in any financial year of the Company, Mr. Priyavrata H. Mafatlal will be entitled to salary, perquisites, and other allowances as the minimum remuneration subject to the maximum limits and conditions prescribed in Section II of Schedule V to the Companies Act, 2013. The following payments/ provisions shall not be included in the computation of remuneration or perquisites in terms of the provisions of Schedule V to the Companies Act, 2013 to the extents of:
- i. Contribution to Provident Fund, or Superannuation Fund or Annuity Fund to the extent these, either singly or together are not taxable under the Income Tax Act, 1961
 - ii. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service and
 - iii. Encashment of leave at the end of the tenure with liberty and authority to the Board of Directors of the Company to amend, alter or vary in any manner, the terms and conditions of said appointment or applicable agreement from time to time as may be permitted under the provisions of the Companies Act, 2013 or any amendment thereto or any re-enactment thereof and as may be agreed between the Board of Directors and Mr. Priyavrata H. Mafatlal.

He shall not be entitled to receive any 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.

It may also be noted that the provisions of Regulation 17(6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (which is applicable w.e.f. 1st April, 2019) requires that the fees or compensation payable to Executive Directors who are promoters or members of the promoter group shall be, subject to the approval of the shareholders by Special Resolution in General Meeting, if (i) the annual remuneration payable to such Executive Director exceeding ₹ 5 Crore or 2.5% of the net profits of the Company, whichever is higher or (ii) where there are more than one such Director the aggregate remuneration to such Directors exceeds 5% of the net profits of the Company. Accordingly, as approved by the Board, the shareholders passed by a Special Resolution through postal ballot (notice dated 16th May, 2019) authorizing the payment of remuneration (including the revisions if any as may be approved by the Board within the limits of schedule V to the Companies Act, 2013) for his balance term of two years from 1st November, 2019 to 31st October, 2021 on the said last remuneration approved by Board as minimum remuneration even in the event of absence of or inadequacy of profits of the Company subject to the maximum ceiling prescribed in Schedule V to the Companies Act, 2013.

Mr. Priyavrata H. Mafatlal has not been paid any commission or bonus based on the profitability of the Company during any time of his current tenure. The Board of Directors had, at their meeting held on 17th December, 2018 as recommended by NRC, appointed Mr. Priyavrata H. Mafatlal as Chief Executive Officer (CEO) of the Company with effect from 1st April, 2019 and appointed/re-designated him as CEO & Executive Director and a whole time managerial personnel under the provisions of Section 203 of the Companies Act, 2013. The said appointment and re-designation was also approved by the Members last year through Postal Ballot.

Recently, the Board of Directors has, at their meeting held on 27th June, 2020 (as recommended by NRC) approved the appointment of Mr. Priyavrata H. Mafatlal as Managing Director w.e.f. 1st July, 2020 subject to the approval of the members of the Company and accordingly re-designated him as Managing Director & Chief Executive Officer of the Company for his balance term upto 31st October, 2021.

The Board recommends the appointment and re-designation of Mr. Priyavrata H. Mafatlal as mentioned in the Resolution.

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The information as required under para (iv) of Section II of Part II of Schedule V to the Companies Act, 2013 in respect of the appointment of Mr. Priyavrata H Mafatlal as Executive Director (Whole Time Director) were already provided to the shareholders as Annexure III to the Notice dated 5th May, 2017 convening 103rd Annual General Meeting where he was appointed as whole time director for a period of five years w.e.f. 1st November, 2016 till 31st October, 2021. The proposed appointment and re-designation of Mr. Priyavrata H Mafatlal as Managing Director (MD) and Chief Executive Officer (CEO) of the Company w.e.f. 1st July, 2020 will be without any change in the terms and conditions (including remuneration) already approved by the Members of the Company at the said 103rd AGM except the re-designation and appointment as MD & CEO. Hence, the said information though not provided here again but the same shall be deemed to be a part of this Explanatory Statement.

Copies of the Resolutions passed by the Nomination and Remuneration Committee, the Board of Directors, shareholders at 103rd Annual General Meeting and the Resolution approved by Postal Ballot as mentioned hereinabove and the letters of appointment issued 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 above Resolution except Mr. Priyavrata H. Mafatlal and his relatives including Mr. Hrishikesh A. Mafatlal being father of Mr. Priyavrata H. Mafatlal and also Chairman of the Company.

By Order of the Board
For **Mafatlal Industries Limited**

Place: Ahmedabad
Dated: 27th June , 2020

Ashish A. Karanji
Company Secretary (ACS :15561)

Regd. Office:

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

Annexure I to Notice

Particulars of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards issued by ICSI.

Name of the Director & Brief Resume/educational qualification	Nature of Expertise in specific functional area	Disclosure of relationship with other Directors, Managers, and Key Managerial Personnel or the Promoters of the Company	Names of the Listed Entities in which the person holds the directorship and membership of the committees of the Board.	Shareholding of the Director in the Company	No. of Board Meetings held and attended by Director during 2019-20
<p>Mr. Priyavrata H. Mafatlal (33 years) (DIN 02433237)</p> <p>He has done his Master of Commerce from Mumbai University. He has Bachelor's in Management Studies (with specialization in Marketing). He also attended 3 tier Management Programme at IIM , Ahmedabad and also done a Fashion Business Course from Istituto Marangoni, London (UK).</p> <p>He has been appointed as Executive Director of the Company w.e.f. 1st November, 2016 for a period of five years. Further he was appointed as Chief Executive Officer of the Company w.e.f. 1st April, 2019. He is an industrialist having experience of more than 12 years in the business.</p>	<p>Commercial, Finance, General Management, Domain Industry, Sales & Marketing, Science & Technology</p>	<p>He is related to (son of) Mr. Hrishikesh A. Mafatlal, Chairman of the Company.</p>	<p>He is Executive Director & Chief Executive Officer of Mafatlal Industries Limited. He is also a member of Share Transfer Committee.</p> <p>He is a Non- Executive Director of NOCIL Limited. He is also a member of the Share Transfer Committee</p>	<p>5,58,722 equity shares of ₹ 10/- each</p>	<p>Attended all the 6 meetings held.</p>

Remuneration paid to the Director/s seeking appointment/re-appointment:

Mr. Priyavrata H. Mafatlal, Chief Executive Officer & Executive Director of the Company has been paid remuneration of ₹ 62,48,768/- for 2019-20.

By Order of the Board
For **Mafatlal Industries Limited**

Place: Ahmedabad
Dated: 27th June , 2020

Ashish A. Karanji
Company Secretary (ACS :15561)

Regd. Office:

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

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Summarised Financial Data

₹ in Lakhs

Particulars	2010 - 11	2011 - 12	2012 - 13
	(13 MONTHS)	(9 MONTHS)	
	1	2	3
PROFIT & LOSS ACCOUNT			
Total Income	70,525.95	18,069.79	84,038.13
Profit before Depreciation, Interest, Exceptional Items and Tax	36,024.71	(1,096.70)	8,999.05
Exceptional Items	16,086.77	(5,040.76)	697.74
Finance costs	(1,085.88)	(245.11)	(3,199.92)
Depreciation, Amortisation and Impairment	(252.48)	(203.42)	(1,444.05)
Profit before Tax	50,773.12	(6,585.99)	5,052.82
Profit after Tax	38,056.00	(5,185.99)	3,715.93
Dividend (₹ per share)			+ 5
Earning per share (EPS) Rs	387.78	(52.84)	26.71
BALANCE SHEET			
Net Fixed Assets	1,613.34	2,003.60	15,648.04
Investments	5,477.25	5,009.80	4,871.58
Current Assets (Net)*	41,657.38	27,067.95	24,293.87
Miscellaneous Exps not W/Off	-	-	-
Total Application	48,747.97	34,081.35	44,813.49
Borrowings	7,034.70	554.07	8,997.04
Net Worth:			
Share Capital	6,981.32	3,981.32	4,391.22
Reserves	34,731.95	29,545.96	31,425.23
	41,713.27	33,527.28	35,816.45
Total Sources	48,747.97	34,081.35	44,813.49
Book value per Equity Share (Rs)	425.04	341.63	257.43
(Face value - ₹ 10 per Share)			
Debt/ Equity Ratio	0.17	0.02	0.25
Operating EBIDTA (%)	51%	-6%	11%
Profit After Tax (%)	54%	-29%	4%
Return on Net Worth (%)	168%	-14%	10%
Return on Capital Employed	174%	-15%	18%

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

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

Figures are stated as per the Annual Report of 2019 - 2020

Summarised Financial Data

₹ in Lakhs

2013 - 14	2014 - 15	2015 - 16	2016 - 17	2017 - 18	2018 - 19	2019 -20
						#
4	5	6	7	8	9	10
93,549.12	104,469.00	134,465.93	128,068.39	120,049.63	105,457.89	106,212.31
4,610.45	5,018.17	6,119.18	5,503.97	2,524.30	(3,030.72)	4,984.52
736.77	898.63	-	(869.94)	-	(8,361.80)	(1,459.18)
(1,489.45)	(1,684.05)	(2,116.12)	(2,620.14)	(3,108.54)	(3,018.86)	(3,143.29)
(1,834.60)	(1,671.14)	(2,119.18)	(2,705.59)	(3,610.59)	(3,595.66)	(1,717.98)
2,023.17	2,561.61	1,883.88	(691.70)	(4,194.82)	(18,007.04)	(1,335.93)
2,393.38	2,437.49	1,712.38	(214.53)	(4,177.82)	(18,007.04)	(1,370.80)
3	3	3	3	0	0	0
17.20	17.52	12.31	(1.54)	(30.03)	(129.43)	(9.85)
17,273.65	20,091.35	22,256.58	29,717.02	30,194.49	13,572.35	13,567.92
4,865.37	4,788.97	4,794.09	6,221.29	50,188.18	37,408.65	16,868.30
23,154.29	25,157.03	33,129.64	25,996.16	22,817.54	20,415.15	12,994.29
-	-	-	-	-	-	-
45,293.31	50,037.35	60,180.31	61,934.47	103,200.21	71,396.15	43,430.51
10,571.81	13,492.29	22,425.23	24,393.92	23,359.75	20,697.16	14,974.62
1,391.22	1,391.22	1,391.22	1,391.22	1,391.22	1,391.22	1,391.22
33,330.28	35,153.84	36,363.86	36,149.33	78,449.24	49,307.76	27,064.67
34,721.50	36,545.06	37,755.08	37,540.55	79,840.46	50,698.98	28,455.89
45,293.31	50,037.35	60,180.31	61,934.47	103,200.21	71,396.14	43,430.51
249.56	262.67	271.37	269.83	573.86	364.40	204.53
0.30	0.37	0.59	0.65	0.29	0.41	0.53
5%	5%	5%	4%	2%	-3%	5%
3%	2%	1%	-0.2%	-3.5%	-17.1%	-1.3%
7%	7%	5%	-1%	-5%	-36%	-5%
8%	8%	7%	3%	-1%	-21%	4%

Directors' Report

To
The Members,
Mafatlal Industries Limited

Your Directors present the 106th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2020.

1. Financial Results

The Financial Results of the Company are as under:

₹ in Lakhs

Particulars	Current Year	Previous Year
	2019-20	2018-19
Revenue from Operations	1,00,535.45	1,02,368.06
Other Income	5,676.86	3,089.83
Total Income / Revenues	1,06,212.31	1,05,457.89
EBIDTA	4,984.52	-3,030.72
Depreciation	1,717.98	3,595.66
Finance Costs	3,143.29	3,018.86
Profit / (Loss) before Exceptional Items (write off/provisions/impairment losses)	123.25	-9,645.24
Exceptional Items (Net)	-1,459.18	-8,361.80
Loss before Taxes	-1,335.93	-18,007.04
Tax (Expense) / Benefits	-34.87	-
Loss after Taxes	-1,370.80	-18,007.04

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

The financial year 2019-20 continued to be a challenging year for the Indian textile industry and also for your Company. While the impact of demonetisation and introduction of GST is receding, the performance of the textile industry remained subdued with stressed working capital cycles, over capacity, unfavourable inverted GST structure and a negative credit outlook for the Industry. Mature players in the traditional textiles' space with higher fixed costs and lower productivity faced strong headwinds from new entrants in the Industry. On the International front, China, Bangladesh and Vietnam remained as the major players in global trade.

During the year under review, the focus of your Company has been on improving operating margins by expanding volumes, improving operational efficiencies, tight control over fixed costs, improving working capital turns and introducing newer products. All these efforts are visible in the positive movement in performance. The Company is witnessing good traction in the market for its range of Ladies Blouse & Dress Material fabric, which was re-introduced last year. Your Company also continued its thrust on export of Voiles as well as on Digital Printed fabric, both of which achieved satisfactory volume growth over last year.

During the year under review, the Company reported a marginal increase in Total Income to ₹ 106,212.31 Lakhs and rise in EBIDTA (Earnings before Interest, Depreciation, Tax & Amortisation) from a loss of ₹ 3,030.72 Lakhs to earnings of ₹ 4,984.52 Lakhs with a Net Loss for the year of ₹ 1,370.80 Lakhs (including ₹ 1,459.18 Lakhs as Exceptional Loss) as against a Net Loss of ₹ 18,007.04 Lakhs for the previous year.

As reported in the last year's Directors' Report, the Company has significantly scaled down its Denim operations, announced VRS for workers and carried on with the sale of machinery as authorised by shareholders vide Postal Ballot dated 16th May, 2019. This has helped the Company to substantially curtail the losses of its Denim operations and sharpen its focus on more profitable operations. By scaling down of Denim operations, the turnover has reduced but profitability has significantly improved. It may be noted that although the manufacturing operations at Navsari have been closed, the activities such as stock liquidation, collection of receivables and routine maintenance of plant & building, are being carried on with a significantly reduced strength of staff & workmen. Consequent to the above decision, the Company had written down/recognised provisions pertaining to carrying value of property, plant and equipment (classified as held for sale), one time employees liabilities and certain current / non-current assets of denim operations aggregating to ₹ 8,361.80 Lakhs and ₹ 1,459.18 Lakhs respectively for the year ended 31st March, 2019 and 31st March, 2020 and had disclosed the same as exceptional items in the said Results.

As part of the exercise of scaling down of Denim operations, the Company has substantially reduced its workforce by offering Ex-Gratia payment of ₹ 736.24 Lakhs which has been recognised as expenditure in the Profit & Loss Account for the financial year 2019-20. The Company also repaid its bank liabilities pertaining to Denim operations of ₹ 5,037.32 Lakhs during the year 2019-20. For the repayment of banking liabilities and Ex-Gratia, the Company has undertaken the activity of sale of surplus assets situated at Navsari and Nadiad.

During the year under review, the Company undertook a few strategic initiatives for identifying new business avenues like de-bottlenecking at its manufacturing facility, introducing a new product range for the Healthcare Segment and forward integration by setting up a garment vertical. The Company also made a foray into the Information Technology space with its newly formed subsidiary Vrata Tech Solutions Private Limited and hope to create its own niche in this space over the next couple of years.

During the first three quarters of the year under review, the Company achieved a significant turnaround over the previous year, in terms of both EBIDTA and PBT (Profit Before Tax). Unfortunately, the operations were severely impacted in the month of March, 2020 by the outbreak of the Covid-19 pandemic. This has pulled down the turnaround momentum for Q4 and therefore that of the entire year under review. Impact of this pandemic is expected to severely impact the performance of the Company during the year 2020-21. Directors of the Company are of the view that the short to medium term outlook will remain pessimistic.

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

As you are aware, the outbreak of Covid-19 has severely impacted many businesses around the world and your Company is no exception. In view of the various directives of the Central Government / Concerned State Governments relating to lockdown, the Company, on 22nd March, 2020, decided to temporarily suspend manufacturing operations at its facilities. After following the requisite safety protocols, the Company has since re-commenced its operations at its plant from 14th May, 2020 in a phased manner. Based on the assessment made by the Management of the impact of Covid-19 on the financial position of the Company, your Directors are of the view that there is no significant impact on its financial results/position as at 31st March, 2020. This assessment of the Management is highly dependent on debtor's recovery, inventory liquidation & recovery of proceeds from assets held for sale which has also been impacted consequent to the Covid-19 outbreak. Based on the assessment of the Management, an adequate provision for doubtful debts and slow moving /non-moving inventory has been recognized. As the situation is constantly evolving, the Management has considered internal and external information, available up to the date of approval of financial statements in assessing the impact of the Covid-19 pandemic in these financial results. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.

The requisite disclosures on Covid-19 under Regulation 30 of SEBI LODR has already been given which is also available on the Company's website at www.mafatlals.com under "Financial & Disclosure" Section.

3. Borrowings, Loans, Guarantees and Investments

During the year under review, the Company has repaid long term borrowings amounting to ₹ 4,369.40 Lakhs as per contracted repayment schedule (except for the part of its obligation for the month of March, 2020) along with pre-payment of part of working capital facilities pertaining to Denim on account of scaling down of Denim operations. Company raised loan funds of ₹ 3,500 Lakhs to part finance its operating liabilities and payments of Ex-gratia payments to the workers of Navsari units as part of exercise of scaling down of Denim operations.

For the month of March, 2020, under guidelines of Reserve Bank of India and Financial Institutions to provide relief to borrowers on account of complete lockdown of the operations as a result of outbreak of pandemic Covid-19, the Company has opted for moratorium of ₹ 406.26 Lakhs inclusive of principal and interest liabilities.

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

4. Credit Rating/s

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

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

5. Dividend

In view of the Losses for the financial year ended 31st March, 2020 continuing since previous years, the Board of Directors regret their inability to recommend any dividend for the year 2019-20 and accordingly, has not recommended / proposed declaration of any dividend.

6. Restructuring of Promoters Shareholding & reclassification of Promoters holding

As reported earlier 36 Trusts/entities managed by Mr. Vishad P. Mafatlal and his associates last year proposed for reclassification as non-promoters/public shareholders for which requisite Resolution was approved by the Board of Directors of the Company. As per the requirements of the Stock Exchange/s, the same was also approved at the last Annual General Meeting. Later on requisite application was made to the Stock Exchange. In the meantime those trusts were amalgamated in to one Trust. However, the said application was not approved by the stock exchange, for which the necessary disclosure was made under SEBI LODR.

The Company has received a fresh application from Mr. Vishad P. Mafatlal Family Trust no.1 (in which those 35 Trusts have been amalgamated) for their reclassification from "promoters" to non-promoter/Public shareholder for all purposes. The said application was approved by the Board at their Meeting held on 12th May, 2020 for which the requisite disclosures to the stock exchange was made under SEBI LODR, 2015. Accordingly, the Resolution for reclassification is proposed for approval by the shareholders at the ensuing Annual General Meeting.

7. Details of changes of Directors and Key Managerial Personnel

During the year under review, there has been no changes in the Directors or Key Managerial Personnel except that Mr. Priyavrata H. Mafatlal was appointed and re-designated as Chief Executive Officer and Executive Director w.e.f.1st April, 2019.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Priyavrata H. Mafatlal, Executive Director designated as Chief Executive Officer & Executive Director, is liable to retire by rotation and being eligible, offers himself for re-appointment and the same is proposed for approval at the ensuing AGM.

The Board of Directors has, at their Meeting held on 27th June, 2020, appointed and redesignated Mr. Priyavrata H. Mafatlal as Managing Director & Chief Executive Officer of the Company w.e.f. 1st July, 2020 subject to the approval of the shareholders of the Company for which requisite Resolution is proposed at the ensuing 106th Annual General Meeting of the Company. Mr. Hrishikesh A Mafatlal, Chairman of the Company, will continue to guide the Senior Management and the MD & CEO of the Company.

8. Employee Stock Option Scheme, 2017

The shareholders of the Company at their 103rd Annual General Meeting held on 2nd August 2017 consented for creation of 6,95,000 employee stock options pool under Mafatlal Employee Stock Option Plan, 2017 by way of a Special Resolution. The Board of Directors of the Company had, as per the recommendation of the Nomination & Remuneration Committee (NRC) approved the "Mafatlal Employees Stock Option Plan 2017. Thereafter, the NRC had at their Meeting held on 10th November 2017, approved the grant of 1,38,000 options to certain senior management employees. Further, the NRC had made a second grant on 1st August, 2019 to certain executives of the Company aggregating to 3,18,000 options. Thereafter, no further grant has been made. As at 31st March, 2020, 72,000 options remained outstanding (valid) out of the first grant and the entire 3,18,000 options under the second grant during 2019-20 remained yet to be vested, while 66,000 options lapsed due to the resignations of the employees (option grantees) out of 1st grant and went back to the Option Pool, available for further grants in the future. The exercise price, under the first grant, was ₹ 322.70/- per option, and ₹ 78.65/- per option under the second grant.

There have been no exercise of vested options as of date. The further disclosures as required under SEBI Employee Share Based Benefits Regulations, 2016 are provided in annexure III to this report along with other statutory disclosures.

9. Subsidiaries, Associates and Joint Ventures

The financial position of the Subsidiary Company is given in the Notes to Consolidated Financial Statements. The Company does not have any Material Subsidiary.

The Policy on Material Subsidiary framed by the Board of Directors of the Company is available on https://www.mafatlals.com/wp-content/uploads/2017/08/policy_on_materiality_of_subsidary.pdf.

The audited accounts of Mafatlal Services Limited, a Subsidiary of the Company, for the year ended 31st March, 2020 is placed on the Company's website www.mafatlals.com and is also open for inspection by any member at the Registered Office of the Company on any working day (Monday-Friday) during working hours and the Company will make available these documents upon request by any member of the Company who may be interested in obtaining the same.

As reported last year also, Al Fahim Mafatlal Textiles LLC (UAE) remained non-operational and since there is no foreseeable beneficial future, the Board of Directors of the Company and the JV Partner have consented for voluntary winding up/closure of that entity. The Company has also written to the Ministry of Commerce, Department of Economic Development, Dubai that there has been no operation of the said JV Company since 2016 and accordingly, the Company has not applied for renewal of license to continue to operate the business there. Accordingly, even the audited accounts of that JV Company are not available and the same are not consolidated with the Accounts of the Company for the year 2019-20.

Further during 2019-20, the Company has incorporated a Wholly Owned Subsidiary with the name "Vrata Tech Solutions Private Limited (VT SPL)" to carry out the business of Technology Solutions and Services especially in the field on IT and Engineering with an Authorized Capital of ₹ 2.00 crores. The necessary disclosures under SEBI LODR has already been made. The proposed Subscribed and Paid-up Capital shall be ₹ 20 Lakhs which shall be subscribed by the Company. VT SPL is yet to start its business pending requisite registrations and authorisations under applicable laws.

10. Deposits

The Company does not have "Deposits" as contemplated under Chapter V of the Companies Act, 2013. Further, the Company has not invited or accepted any such deposits during the year ended 31st March, 2020.

11. Internal Financial Controls

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

12. Directors' Responsibility Statement

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

13. Industrial Relations

The relations between the Employees and the Management have remained cordial and harmonious during the year under review. There were 1,753 (2,377 in previous year) permanent employees on the payroll of the Company as on 31st March, 2020. During the year the Company had taken the painful decision of severance of its workforce including some management and non-management staff at its Denim operations at Navsari in tandem with the substantial scaling down of the operations. While this was part of strategic decision for long term future of the Company, your Company always believes into people being key enablers to bring the turnaround, growth and good practices.

14. Insurance

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

15. Corporate Social Responsibility (CSR)

Mafatlal Industries Ltd., a part of the 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 Mr Hrishikesh A. Mafatlal, who is the Chairman of the said Committee, Mr. Atul Kumar Srivastava and Mr. Sujal Shah (Independent Director) are the other Members of the CSR Committee.

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

As per the provisions of Section 135 read with the Section 198 of the Companies Act, 2013, due to losses incurred by the Company, there is no obligation relating to CSR by the Company for the year 2019-20. Accordingly, there were no Meetings of the CSR Committee held during the year. The statutory disclosures with respect to CSR is annexed hereto forming part of this report.

16. Related Party Transactions

There are no materially Significant Related Party transactions made by the Company during the year. Related Party Transactions Policy is posted on the website of the Company and is available at https://www.mafatlals.com/wp-content/uploads/2017/08/related_party_policy.pdf. The details of all the transactions with the related parties are disclosed in the Notes forming part of financial statements annexed to the financial statements for the year 2019-20 and further annexed to this report in AOC 2.

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

17. Management Discussion and Analysis Report & Corporate Governance

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

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

18. Other Statutory Disclosures

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

Besides, it is pertinent to note here that there has been no change in nature of business during the year under review and no Order has been passed by any Regulator or Court or Tribunal, which can impact the going concern status of the Company and its Operations in the future. Further there has been no issue of equity shares with differential rights as to dividend, voting or otherwise, there were no buy back of shares.

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

19. Statutory Auditors & Audit Report

Pursuant to the provisions of Section 139 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made thereunder, M/s. Price Waterhouse Chartered Accountants LLP (Firm registration No.012754N/N500016) were appointed as Statutory Auditors of the Company for a period of five years by the members of the Company at 103rd Annual General Meeting (AGM) to hold office from the conclusion of 103rd AGM till the conclusion of 108th AGM. Thereafter, at the 104th AGM the members have approved the continuation of their appointment for balance term till the conclusion of 108th AGM. It may be noted that pursuant to the amended provisions of Section 139 (as amended by the Companies Amendment Act, 2017), ratification of statutory auditors appointment is not required at every Annual General Meeting. Accordingly, Resolution for yearly ratification of appointment has not been proposed/required.

The specific notes forming part of the Accounts referred to in the Auditor's Report read with the notes to financial statements as referred to therein, are self-explanatory and give complete information and addresses the observations if any. The Auditor's Report does not have any qualification or reservations or adverse comments. Further the observation/s made therein read with concerned Notes to financial statements, provide sufficient information and need no clarification. So no further explanations or comments is required/provided in this report with respect thereto.

20. 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 Mr. Umesh Ved, Company Secretary in practice to carry out Secretarial Audit of the Company for the financial year 2019-20. The Report of the Secretarial Auditor is annexed to this Report as Annexure IV. The Audit Report does not have any qualification or reservations. Besides this, the report provides sufficient information and needs no clarification, so no further explanations or comments are required/given in this report with respect thereto.

21. Cost Audit

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with relevant rules made thereunder, maintenance of cost records for Company's "Textiles" products is required and accordingly such accounts and records are made and maintained by the Company. The cost audit for the year 2018-19 was carried out in time, and the Cost Audit Report with requisite data for the year 2018-2019, in the prescribed form CRA 4, has already been filed with Ministry of Corporate Affairs (MCA) within the permissible time, last year.

Further, in accordance with the said applicable provisions, the audit of the cost records of the Company for the year 2019-20 relating to the "Textiles" products as required is being carried out by Cost Auditors Mr B. C. Desai, Cost Accountants. The Cost Audit Report will be filed on or before the due date with the Ministry of Corporate Affairs in due course of time after the same is approved by the Board of Directors of the Company within the permissible timeline.

The Board has, at their Meeting held on 27th June, 2020 re-appointed Mr. B. C. Desai as Cost Auditor to audit cost records in respect of "Textiles" products as required for the Financial Year 2020-21. The remuneration payable to the Cost Auditor has been proposed for the approval by the Members of the Company at the ensuing Annual General Meeting.

22. Internal Auditor

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

23. Appreciation

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

For and on behalf of the Board,

Place: Mumbai
Date: 27th June, 2020

Hrishikesh A. Mafatlal
Chairman
(DIN: 00009872)

Regd. Office:

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

Management Discussion and Analysis

1. Overview of the Economy

The Indian economy started the fiscal year 2019–20 with a slowing GDP growth of 5.2% in the first quarter compared to 7.1% for first quarter of the previous year. The GDP further contracted with a sharp slow-down in domestic demand coupled with stress in the non-banking financial sector and a decline in credit growth. Growth further eased to 4.4% during the second quarter followed by 4.1% in the third quarter.

Other factors of slowdown in the global economy (as per IMF World output growth rate for year 2019 was 2.9% compared to 3.6% in year 2018), falling trade intensity, and uncertainty over USA-China trade conflicts also posed as major obstacles for growth of domestic GDP until first three quarters of the year 2019-20.

Quarter four of fiscal year 2019-20 started witnessing the unprecedented turbulence across the World with the outbreak of Covid-19 "A Pandemic". For quarter four, GDP growth was reported at 3.1% and for the year 2019-20, GDP growth rate was reported at 4.2% compared to 6.1% for 2018-19. Major factors remain lower Industrial and service Industry growth along with increased impact of Covid-19 on economy starting from March, 2020.

2. Overview of Textile Sector

Growth in the textile sector largely depends on consumer spending, and consumer spending has been affected during the fiscal year 2019-20 with perceived economic condition and consumer credit availability. India is the world's second largest exporter of textiles and clothing. Increased penetration of organised retail, favourable demographics, and rising income level are likely to drive demand for textiles.

During the year 2019-20 until 9MFY20, China vacated some space in the global textiles market on account of the increased trade dispute with USA, strong domestic demand and the Covid-19 breakout during the second half of FY20. However, Bangladesh and Vietnam stood to benefit the most.

3. Covid-19

Covid-19 has caused a significant disruption for mankind and world economy. As on 11th March, 2020 WHO announced Covid-19 as a pandemic. World-wide, major countries like USA, France, Germany, Italy, Japan, New Zealand, Poland, India and many others implemented highly restrictive mass quarantines. The activity of "Lock Down" in major economies caused severe depression on consumer demand & behaviour.

In India, activities started coming to a halt in the month of March, 2020 with an increase in Covid-19 cases coupled with implementation of new norms like social distancing. By the middle of March, 2020, few states started going into curfew. On 25th March, 2020, Government of India implemented countrywide "Lockdown" with an exception to only essential services. Until 31st May, 2020, "Lockdown" remained in full force, post which relaxation of Guidelines to restart came in to force.

Aftermath of breakout of the Covid-19 disease brought uncertainty and "Deep Depression" in most of the world economies. The IMF revised its World Output growth from 3.3% to -3.0%. For India, as per the statement from the RBI Governor, the recovery of economy is expected to be restored in the second half of 2020-21. GDP growth for year 2020-21 is also expected to be negative.

4. Overview of the Company Performance and Outlook

Business environment for the Textile Industry in which the Company operates, is highly dependent on consumer spending. With an overall slowdown in consumer spending in domestic as well as international markets, impact on performance is un-avoidable. However, performance of the Company improved significantly during the first 9 months of the year 2019-20 on account of various strategic decisions taken by the Company in the recent past.

The Company has worked relentlessly in curtailing the losses by significantly downsizing of Denim Fabric operations. The exercise of downsizing of Denim operations was undertaken after the detailed analysis by multi-national independent management consultants. While there is no manufacturing activities relating to Denim Fabric, the activities related to sale of inventory, sale of machinery & collections of receivables are still being carried out. As expected, the downsizing of Denim operations has resulted into lower turnover, decrease in debt and significant lowering of the losses.

During the year, the Company has also undertaken multiple strategic initiatives to drive the future by way of new product development, forward integration by setting up garment verticals and debottlenecking its manufacturing set-up. The Company has also taken significant steps towards establishing a product range in the healthcare segment.

Although the start of the year 2019-20 was very promising, it ended with uncertainty and with the possibility of irreversible disruptions of the business. Activities in traditional textile business were halted by Covid-19, followed by the extensive lockdown for months coupled with new social norms. The textile business is highly consumer centric, and the entire consumer demand dried-up with lockdown and is expected to remain highly depressed for some time amidst this unprecedented situation leading to uncertainty and all-round loss of income of the consumers at large.

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During the lockdown period, the Company has witnessed loss of production, order cancellations & substantial loss of revenue. All these, along with the burden of high fixed cost, will severely impact performance of the first quarter of 2020-21. As it will take time for normalcy to return in consumer behaviour and spending across the world, demand in quarter two and quarter three is also expected to remain highly subdued. We expect quarter four to bring in normalcy of demand. Meanwhile Company's foray into Healthcare segment shall benefit it in the near to medium term.

i. Performance Review

Total Revenue increased by 0.7% to ₹ 106,212.31 Lakhs and Earnings Before Interest & Depreciation (EBIDTA) turned positive to ₹ 4,984.52 Lakhs.

ii. Table of Financials

Particulars	For the year ended on			
	March 31, 2020		March 31, 2019	
	Amount	% of Revenue	Amount	% of Revenue
Revenue from Operations	1,00,535	95%	1,02,368	97%
Other Income	5,677	5%	3,090	3%
Total Revenue	1,06,212	100%	1,05,458	100%
Cost of Material Consumed	29,158	27%	32,626	31%
Purchase of Stock-in-trade	50,732	48%	37,470	36%
Changes in Inventory of Finished Goods, Work-in-progress & Stock-in-trade	-1,472	-1%	3,823	4%
Employee Benefit Expenses	8,835	8%	12,041	11%
Other Expenses	13,976	13%	22,528	21%
Total Expenses	1,01,228	95%	1,08,489	103%
EBIDTA	4,984	5%	-3,031	-3%
Finance Cost	3,143	3%	3,019	3%
Depreciation & Amortisation	1,718	2%	3,596	3%
Profit/ (Loss) Before Exceptional Items & Tax	123	0%	-9,645	-9%
Exceptional Items	-1,459	-1%	-8,362	-8%
Loss Before Tax	-1,336	-1%	-18,007	-17%
Net Tax Expenses	-35	0%	-	0%
Loss for the year	-1,371	-1%	-18,007	-17%

Changes in Key Financial Ratios & Reason thereof

Sr. No.	Ratios	FY 2019-20	FY 2018-19
1	Debtors Turnover	4.2	5.4
2	Inventory Turnover	9.3	9.9
3	Interest Coverage Ratio	1.6	-1
4	Current Ratio	1	1
5	Debt Equity Ratio	0.5	0.4
6	Operating Profit Margin (%)	3.20%	-4.90%
7	Net Profit Margin (%) (before exceptional items)	0.10%	-9.10%
8	Return on Net Worth	-4.80%	-35.50%

Reasons for major changes in ratios

Major changes in Key Financial Ratios are on account of improvements in the Operating Profits consequent to downsizing of Denim Operations. Further explanation has been provided herein and in Directors' Report.

Revenue from Operations and Other Income

Total Revenue of the Company increased by 0.7% over previous financial year. Other Income (consisting of Interest Income, Dividend Income from Long Term Investments, Net Gain on Foreign Currency Transactions and Other Non-Operating income) has also increased by 83.7% compared to previous year.

Debt

The Company repaid ₹ 4,369.40 Lakhs in long-term debt which is, primarily in the form of rupee-term loans, in line with its repayment schedule, this includes prepayment of Denim Term Loan Facility of ₹ 1,734.99 Lakhs over and above scheduled repayment. Net short-term borrowings decreased by ₹ 5,204.14 Lakhs, this includes repayment of ₹ 1,924.26 Lakhs of Denim Working Capital Facility. Borrowings were maintained to provide working capital support to the Company in core operations.

Finance Costs

The finance cost for FY 19-20 were ₹ 3,143.29 Lakhs as against ₹ 3,018.86 Lakhs for FY 18-19. The increase in finance cost is primarily on account of newly raised loan funds to part finance its operating liabilities and Ex-gratia payments to the workers of Navsari unit as part of exercise of scaling down of Denim operations. Finance Cost as a percentage to Total Revenue however remained almost unchanged.

Depreciation

Depreciation in absolute terms decreased to ₹ 1,717.98 Lakhs as compared to ₹ 3,595.66 Lakhs in FY 18-19. As a percentage to Total Revenue, Depreciation reduced to 2% from 3% in FY 18-19.

Exceptional item

During the year, the Company has further incurred exceptional losses consequent to scaling down of its manufacturing operations at its Denim Division at Navsari. Total Exceptional losses reported during FY 19-20 of ₹ 1,459.18 Lakhs which include additional impairment provision towards Net Loss / (Gain) on Assets held for sale & Profit/ (Loss) on impaired inventory, of ₹ 722.94 Lakhs and one-time compensation/ VRS compensation to Workers of ₹ 736.24 Lakhs.

iii. Human Resources and Safety

During the year the Company, as a consequence of downsizing of Denim operations, had to take the painful decision of retrenching workers as well as its management staff in the most amicable manner, by making the payment of Ex-Gratia one-time compensation/ VRS compensation at its Navsari plant.

For the Company, people are key enablers to bring the turnaround and growth of the business. To bring out the best performance from its employees, the Company emphasises towards talent nurturing, skill building and providing avenues for learning and development through functional and behavioural training programs. During the year, the Company also undertook a few employee engagement initiatives to foster team spirit. The Company continuously takes initiatives and measures towards building a workplace with safe work practices. The total number of Employees as at 31st March, 2020 was 1,753.

iv. Overview of Product Portfolio & Operating Performance

The Company has expanded its reach to international and domestic brands with the latest range of prints, finishes and fabric qualities. While printed fabric, especially digital prints, achieved significant volume growth, the growth in exports of Voiles mainly for the Middle-Eastern markets also achieved satisfactory growth. Rubia and White-fabric remains the core strength of the Company in the domestic retail market and the Company continues to enjoy a dominant position. Ladies Blouse & Dress Material which the Company re-introduced last year, is witnessing an encouraging response from the market and its volume is steadily rising.

The Company has also witnessed an expansion of domestic corporate uniform and school uniform fabric & garments in which the Company continues to enjoys its leadership position. As mentioned earlier, Company has introduced a wide range of branded products through its Healthcare segment which has shown impressive early results with a promising future. The Company has also developed "Covid-19 Range" of products within a short span of time with intense focus towards quality.

During the year the focus of the Company has been on improving operating margins. The Company has succeeded in driving the operating margins by significantly improving the operating efficiency of its manufacturing operations by de-bottlenecking few of the manufacturing processes, focus on reducing value loss & OTIF, tight control over the fixed costs and improving working capital turns. While yarn prices rose by around 15%, the prices of the other major raw materials like cotton, polyester fibre, greige fabric etc. remained more or less at the same level as that of last year.

v. Outlook

In the times of current uncertainty, the management and leadership of the Company is preparing for facing the headwinds with all possible resources and strategies to navigate the Company from the present turbulent times. While the Company is continuously assessing the newer avenues for product development, forward integration, and diversification, for the short to medium term, the outlook does remains pessimistic. However for the long term, the management and leadership of the Company has a positive outlook with the hope that normalcy shall be restored by the fourth quarter of year 2020-21.

CORPORATE GOVERNANCE REPORT

This Corporate Governance Report for the year ended 31st March, 2020, 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 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 08 (Eight) Directors as at the end of the year 31st March, 2020. The Board comprised of two Executive Promoter Directors and six Non- Executive Independent Directors including one Women Director. The Board of Directors is headed by Mr. Hrishikesh A. Mafatlal who is the Chairman (Executive Chairman) of the Company. The composition of the Board is in conformity with the requirements of the applicable provisions of the Companies Act 2013 read with the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended as on 31st March, 2020. Further details are as follows:

Sr. No.	Names of the Directors	Category of the Director	Board Meetings Held	Board Meetings Attended	Attendance at last AGM held on 2 nd August, 2019	# Directorships held (including listed Companies) at year end	Other Directorships held (including Pvt. Ltd. Companies) at year end	\$ No. of Committee Memberships/ Chairmanship in other Companies at year end	
								As Chairman	As Member
1.	Mr. Hrishikesh A. Mafatlal (Executive Chairman)	Promoter-Executive	06	06	Yes	02	06 (03 Pvt. Ltd)	Nil	01
2.	Mr. Atul K. Srivastava	Non-Executive Independent	06	06	Yes	02	01	Nil	01
3.	Mr. Vilas R. Gupte	Non-Executive Independent	06	06	Yes	02	01	Nil	02
4.	Mr. Pradip N. Kapadia	Non-Executive Independent	06	06	Yes	03	11 (06 Pvt. Ltd)	03	04
5.	Mrs. Latika P. Pradhan	Non-Executive Independent	06	06	Yes	02	02	01	Nil
6.	Mr. Gautam G. Chakravarti	Non-Executive Independent	06	05	Yes	01	01	Nil	Nil
7.	Mr. Sujal A. Shah	Non-Executive Independent	06	06	Yes	04	120 (05 Pvt. Ltd)	03	03
8.	Mr. Priyavrata. H. Mafatlal* (CEO & ED)	Promoter-Executive	06	06	Yes	02	02 (01 Pvt. Ltd)	Nil	Nil

Number of other Board of Directors or Committees in which a Director is a member or chairperson, "including separately the names of Listed entities where the person is a director and the category of directorship"

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

*Mr. Priyavrata H. Mafatlal re-designated as Chief Executive Officer & Executive Director of the Company w.e.f. 01.04.2019

Sr. No.	Names of the Directors	Names of the Listed Entity (excluding Mafatlal Industries Limited) in which a person is a Director and category of Directorship
1.	Mr. Hrishikesh A. Mafatlal	Promoter Director (Executive Chairman) of NOCIL Limited
2.	Mr. Atul K. Srivastava	Non-Executive Independent Director of Navin Fluorine International Limited
3.	Mr. Vilas R. Gupte	Non-Executive Non- Independent Director of NOCIL Limited
4.	Mr. Pradip N. Kapadia	Non-Executive Independent Director of: 1) Gokak Textiles Limited 2) Navin Fluorine International Limited
5.	Mrs. Latika P. Pradhan	Non-Executive Independent Director of Teamlease Services
6.	Mr. Gautam G. Chakravarti	NIL

Sr. No.	Names of the Directors	Names of the Listed Entity (excluding Mafatlal Industries Limited) in which a person is a Director and category of Directorship
7.	Mr. Sujal A. Shah	Non-Executive Independent Director of : 1) Amal Limited 2) Hindoostan Mills Limited 3) Amrit Corporation Limited
8.	Mr. Priyavrata. H. Mafatlal	Promoter Non-Executive Director of NOCIL Limited

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

During the year under review viz., 1st April, 2019 to 31st March, 2020, total 06 (Six) Meetings of the Board of Directors of the Company were held on the following dates viz., 26th April, 2019, 16th May, 2019, 1st August, 2019, 25th September, 2019, 13th November, 2019, 13th February, 2020 and all the Directors remained present for all the said Meetings except Mr. Gautam G Chakravarti for Meeting held on 26th April, 2019, for which requisite leave of absence was granted as requested. Mrs. Latika P. Pradhan attended a Meeting through Video Conferencing held on 25th September, 2019.

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

Independent Directors' Meeting

Pursuant to provisions Schedule IV to the Companies Act, 2013, during the year under review, one Meeting of Independent Directors was held on 26th June, 2020 in conformity with the provisions of extension of time granted by Ministry of Corporate Affairs and SEBI under SEBI LODR, 2015.

Mr. 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

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

Details of shareholding of Non-Executive Directors:

Names of the Directors	Number of Equity Shares of ₹ 10/- each held as at 31st March, 2020
Mr. Atul K. Srivastava	Nil
Mr. Vilas R. Gupte	02
Mr. Pradip N. Kapadia	138
Mrs. Latika P. Pradhan	Nil
Mr. Gautam G. Chakravarti	Nil
Mr. Sujal A. Shah	Nil

The Company does not have any other security issued.

The Details of the familiarization programme imparted to Independent Directors is disclosed at the Company's website at https://www.mafatlals.com/wp-content/uploads/2020/05/Familiarization_Programme_2019-20.pdf

Skills, Expertise & Competence of the Board of Directors

The Board of Directors of the Company comprises of persons with varied experiences in different areas who bring in the required skills, competence and expertise that allows them to make effective contribution to the Board and its Committees. The following list summarizes the key skills, expertise and competence that the Board thinks is necessary for functioning in the context of the Company's business and sector and which in the opinion of the Board, its Members possess: 1. Commercial 2. Finance including Audit, Accounts, Taxation, 3. Sales and Marketing 4. Science and Technology including IT 5. Domain Industry 6. General Management and Human Resources 7. Legal & Advisory. As per the Board, the directors have skills/expertise/ competencies as follows:

Names of the Directors	Skills / Expertise / competencies they hold
Mr. Hrishikesh A Mafatlal	Commercial, Finance, General Management, Domain Industry, Sales & Mktg., Science & Technology
Mr. Atul K. Srivastava	Commercial, Finance including Audit, Accounts, Taxation
Mr. Vilas R. Gupte	Commercial, Finance including Audit, Accounts, Taxation, General Management
Mr. Pradip N. Kapadia	Legal & Advisory
Mrs. Latika P. Pradhan	Commercial, Finance including Audit, Accounts, Taxation
Mr. Gautam G. Chakravarti	Commercial, General Management and Domain Industry
Mr. Sujal A. Shah	Commercial, Finance including Audit, Accounts, Taxation, Valuation
Mr. Priyavrata H. Mafatlal	Commercial, Finance, General Management, Domain Industry, Sales & Mktg., Science & Technology

Further the Independent Directors of the Company in the opinion of the Board, fulfils the conditions of the Independence as specified in the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

It may be noted that none of the Independent Directors have resigned before the expiry of their tenure.

3. Audit Committee

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

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

During the year under review, four Meetings of the Audit Committee of the Board of Directors of the Company were held and the attendance of the members was follows:

Sr. No.	Dates on which the Meetings of the Audit Committee were held during the year 2019-20	Mr. Vilas R. Gupte	Mrs. Latika P. Pradhan	Mr. Sujal A. Shah	Mr. Gautam G. Chakravarti
1.	16 th May, 2019	Yes	Yes	Yes	Yes
2.	1 st August, 2019	Yes	Yes	Yes	Yes
3.	13 th November, 2019	Yes	Yes	Yes	Yes
4.	13 th February, 2020	Yes	Yes	Yes	Yes

Yes - Attended, No - Not Attended

4. Nomination and Remuneration Committee

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

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

Sr. No.	Dates on which the Meeting of the Nomination and Remuneration Committee were held.	Mr. Vilas R. Gupte	Mr. Pradip N. Kapadia	Mr. Gautam G. Chakravarti
1.	16 th May, 2019	Yes	Yes	Yes
2.	1 st August, 2019	Yes	Yes	Yes
3.	25 th September, 2019	Yes	Yes	Yes

Yes - Attended, No - Not Attended

Performance evaluation of Independent Directors

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

Evaluation Criteria:-

General

- Well educated, experienced having knowledge and competency
- Participation in the vision and strategy of the Company and understanding and fulfilment of the functions assigned to him/her by the Law or Board/Committees.
- Integrity, initiative, Commitment and Discipline towards his role and responsibilities including conforming to the applicable laws, regulations, rules and guidelines issued thereunder.
- Exercising Independent views, prudence & Judgement, without conflict of any interest.
- Maintenance of satisfactory attendance at the Meetings of the Board and its Committees.

- vi. Diligence in preparation and remaining well-informed, taking initiative with respect to various areas.
- vii. Participation in reviews of the internal financial controls and performance and seeking clarification and amplifications as required.
- viii. Participation in decision-making process & making constructive suggestions, maintaining impartiality, ability to function as a Team.
- ix. Participation in Risk Management and material issues of the Organisation and making constructive advice/ suggestion.
- x. Communication - meaningful and in constructive manner and giving fair chance to others for expressing their views.
- xi. Contribution in implementing and sustaining good governance practices and review of compliances.
- xii. Giving due weightage to the interest of all the stakeholders including shareholders.

Additional areas for Independent Directors

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

Remuneration of Directors

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

The Company has, during the year 2019-20, paid sitting fees to each Non-Executive Directors for attending the Meetings of the Board of Directors and the Committees thereof @ ₹ 70,000/- per Meeting and a diem allowance of ₹ 1,000/- to the concerned Directors.

The Company has not paid any commission to any Director for the year 2019-20. Mr. H. A. Mafatlal, Executive Chairman of the Company had voluntarily opted for waiver of the remuneration for the year 2019-20.

Details of Remuneration paid to all Directors

(₹ in lacs)

Sr. No.	Names of Directors	Salary, Allowances & Perquisites	Commission	Sitting Fees	Total
1.	Mr. Hrishikesh A. Mafatlal	Nil	Nil	Nil	Nil
2.	Mr. Atul K. Srivastava	Nil	Nil	9.80	9.80
3.	Mr. Vilas R. Gupte	Nil	Nil	9.10	9.10
4.	Mr. Pradip N. Kapadia	Nil	Nil	6.30	6.30
5.	Mrs. Latika P. Pradhan	Nil	Nil	7.00	7.00
6.	Mr. Gautam G. Chakravarti	Nil	Nil	14.00	14.00
7.	Mr. Sujal A. Shah	Nil	Nil	7.00	7.00
8.	Mr. Priyavrata H. Mafatlal*	62.48	Nil	Nil	62.48

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

No bonus or stock options given/provided to any directors for the financial year 2019-20.

Mr. Priyavrata H. Mafatlal, Executive Director & CEO, as a part of the agreed terms of his appointment, is entitled to a 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 2019-20, no performance linked bonus/commission was paid to the Executive Director.

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

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

5. Stakeholders' Relationship Committee

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

During the Financial year 2019-20 no Meeting of the Stakeholders Relationship Committee was held. However, in line with the extension of time granted by Ministry of Corporate Affairs, one Meeting of the Committee was held on 26th June, 2020 and the attendance of the Members was as under:

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Sr. No.	Date of the Stakeholders Relationship Committee Meeting	Mr. Atul K. Srivastava	Mr. Pradip N. Kapadia	Mr. Hrishikesh A. Mafatlal
1.	26 th June, 2020	Yes	Yes	Yes

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

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

The details of complaints received from Stakeholders from 1st April, 2019 to 31st March, 2020, are as follows:

Number of shareholders complaints received so far : 04

Complaint not resolved to the satisfaction of shareholders: Nil

Number of pending complaints (as at 31.03.2020) : Nil

6. General Body Meetings

Details of last three Annual General Meetings and details of Special Resolution passed:

Sr. No.	Location	Time	Annual General Meeting and Date	Any Special Resolutions passed and No. of such Resolution passed
1.	J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad-380 015	10.00 A.M.	105 th Annual General Meeting held on 2 nd August, 2019	Yes (5)
2	J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad-380 015	10.00 A.M.	104 th Annual General Meeting held on 31 st July, 2018	Yes (1)
3.	J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad-380 015	10.00 A.M.	103 rd Annual General Meeting held on 2 nd August, 2017	Yes (6)

Postal Ballot

Two Special Resolutions were passed through Postal Ballot during the financial year 2019-20 under Section 180(1)(a), 110, 196, 197 and 198 and other applicable provisions of the Companies Act. Separate communication, containing all the requisite details in respect of the same including the procedure for Postal Ballot was made to all the shareholders. Umesh Ved & Associates, Company Secretaries, was appointed as Scrutinizers to oversee the voting process. The voting pattern was as under as per the Scrutinizers Report.

Total valid votes	Total votes in favour of the Resolution			Total votes against the Resolution			Total invalid votes	
	No. of Ballot/ E-Voting entry	Nos.	% to total valid votes	No. of Ballot/ E-Voting entry	Nos.	% to total valid votes	No. of Ballot/ E-Voting entry	Nos.
10289724	106	10289701	99.9998	5	23	0.0002	13	82
10289714	105	10289691	99.9998	5	23	0.0002	13	82

There is no Postal Ballot proposed for the year 2020-21 as of now.

7. Means of Communication

i) Quarterly Results:

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

ii) Newspapers wherein results normally published:

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

iii) *Any website, where displayed:*

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

iv) *Whether it also displays official news releases:*

Yes

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

None

8. General Shareholder Information

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

106th Annual General Meeting of the Company will be held on Thursday, the 10th day of September, 2020 through Video Conferencing / Other Audio/Visual Means. However for the purpose of record/jurisdiction, the deemed venue would be the Registered Office of the Company at 301-302, Heritage Horizon, Off C G Road, Navrangpura, Ahmedabad 380009.

ii) *Financial Year:*

April 1st to March 31st every year

iii) *Dividend Payment Date:*

N.A. The Board of Directors has regretted their inability to recommend/declare any dividend for the year 2019-20 in view of the losses incurred by the Company.

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

The Equity Shares of the Company are listed on BSE Limited, P. J. Towers, Fort, Mumbai and Ahmedabad Stock Exchange. However, Ahmedabad Stock Exchange (ASE) is non-operational for the last many years since opted for Exit under SEBI Guidelines. The trading platform of the ASE is also non-operational. ASE has advised not to file any information's/forms or compliance of listing provisions. Accordingly, the Company has paid Listing Fees for the year 2020-21 to BSE Ltd. only.

v) *Stock Code:*

- BSE Limited: Security Code: 500264
- Ahmedabad Stock Exchange Ltd. (not operational) : Security Code: 34100

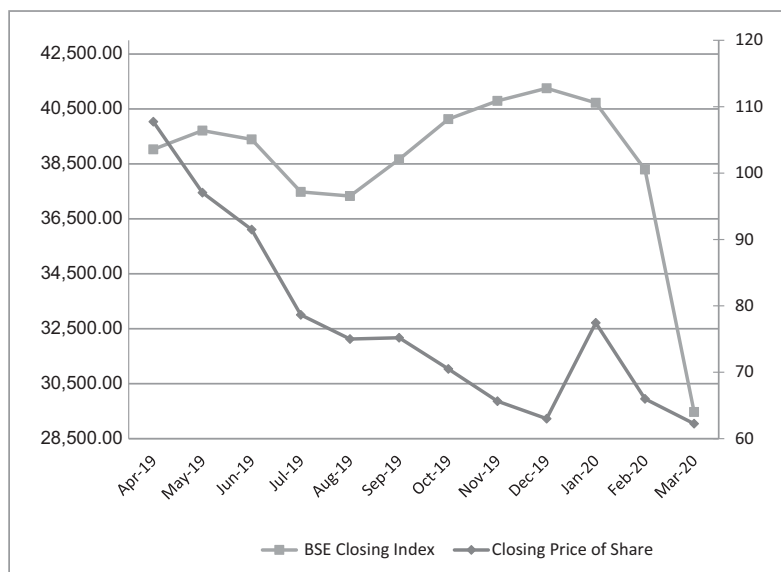
vi) *Market price data high, low during each month of last Financial Year:*

Month	High	Low	Sensex		No. of Trades
			High	Low	
Apr-19	118	97.55	39,487.45	38,460.25	463
May-19	111	91	40,124.96	36,956.10	723
Jun-19	101	87.5	40,312.07	38,870.96	368
Jul-19	95	73.25	40,032.41	37,128.26	333
Aug-19	89	68.05	37,807.55	36,102.35	283
Sep-19	93.6	71.35	39,441.12	35,987.80	430
Oct-19	76	64.75	40,392.22	37,415.83	440
Nov-19	79.9	60	41,163.79	40,014.23	348
Dec-19	69.95	59	41,809.96	40,135.37	392
Jan-20	91	58.3	42,273.87	40,476.55	1,400
Feb-20	87.95	61.3	41,709.30	38,219.97	533
Mar-20	71.75	51.2	39,083.17	25,638.90	812

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- vii) **Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc.: BSE - Closing Index Vs. Closing Price of Share April, 2019 to March, 2020:**



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

Not applicable.

- ix) **Registrar and Share Transfer Agents:**

M/s. KFin Technologies Pvt. Ltd.

Selenium Tower

B, Plot No.31&32, Financial District, Nanakramguda, Serilingampally Mandal,

Hyderabad - 500032, India. E-mail: einward.ris@kfintech.com

Website: <https://www.kfintech.com/>

- x) **Share Transfer System:**

The Registrar & Share Transfer Agents of the Company undertakes all the shares & dividend related work of the shareholders of the Company. The RTA verify & process the valid Transfer documents received from shareholders and prepares an approval statements, and gets it approved by any two of the Members (Directors) of the Share Transfer Committee of the Board. The Share Transfer Committee consists of Mr. Atul K. Srivastava, Mr. Hrishikesh A. Mafatlal and Mr. Priyavrata H. Mafatlal, Directors of the Company. The share transfers are registered and returned within permitted time (except the disclosures made from time to time to the stock exchange) from the date of receipt if relevant documents are completed & verification is proper in all respects. Since last year onwards, no Physical Share Transfers are allowed for Listed Companies.

- xi) **Distribution of Shareholding as on 31.03.2020:**

Sr. No.	Category (Shares)	No. of Holders	% Holders	No. of Shares	% Equity
1	1 – 50	97,839	97.15	4,61,803	3.32
2	51 – 500	2,496	2.48	4,13,419	2.97
3	501 – 1,000	176	0.17	1,35,072	0.97
4	1,001 – 2,000	68	0.07	95,310	0.69
5	2,001 – 3,000	30	0.03	73,872	0.53
6	3,001 – 4,000	14	0.01	49,084	0.35
7	4,001 – 5,000	16	0.02	76,829	0.55
8	5,001 – 10,000	22	0.02	1,57,910	1.13
9	10,001 – Above	54	0.05	1,24,49,587	89.48
	TOTAL	1,00,715	100	1,39,12,886	100

xii) Shareholding Pattern as on 31.03.2020:

Sr. No.	Category	Number of Shares held	% of holding
1	Promoter & Promoter Group	1,00,28,749	72.08
2	Mutual Funds	2,014	0.01
3	Banks / Financial Institutions / Insurance Companies / State Government Institutions/ UTI	3,60,171	2.59
4	FIIS (Foreign Institutional Investors)	0	0.00
5	Bodies Corporate	1,55,683	1.12
6	Indian Public	32,98,164	23.71
7	NRIs/ OCBs	68,083	0.49
8	Any Other (please specify) Trust	22	0.00
Total		1,39,12,886	100.00

xiii) Dematerialization of shares and liquidity:

The Equity shares of the Company are under compulsory Trading in demat form. The demat code of the Equity Shares of the Company is INE2701301027. As on 31st March, 2020, 19,579 shareholders holding 1,34,83,483 Equity Shares have dematerialized their shares which constitutes 96.91% of the total Paid-up Equity Share Capital of the Company.

The equity shares of the Company are traded only at BSE Limited. There has been no trading activity at The Ahmedabad Stock Exchange Limited for many years.

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

None

xv) Commodity price risk or foreign exchange risk and hedging activities:

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

xvi) Plants/ Factories location:

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

xvii) Address for Correspondence:

Hyderabad Address	Mumbai Address	Ahmedabad Address
Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Serilingampally Mandal, Telangana – 500 032, India Tel:040 6716 2222 Fax: 040 2342 0814, E-mail: einward.ris@kfintech.com website: www.kfintech.com	24B, Raja bahadur Mansion, Ground floor, Ambalal Doshi Marg, Fort, Mumbai 400 023. Tel. 022- 66235454 Fax 022-66331135	Office No. 401 on 4th Floor, ABC-I, Off. C.G. Road, Ahmedabad 380009. Contact No. : 9081903021/9081903022

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

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

Mafatlal Industries Limited (Corporate Identity Number: L17110GJ1913PLC000035)

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

The Company has obtained its credit ratings from Care Ratings Limited. As on 4th October, 2019 and as of date the rating is as follows:

Facilities	Amount (₹ crore)	Rating1	Rating Action
Long term Bank Facilities- Term Loan	49.27	CARE BBB-; Negative (Triple B Minus; Outlook: Negative)	Reaffirmed
Long term Bank Facilities – Fund Based Facilities	115.00	CARE BBB-; Negative (Triple B Minus; Outlook: Negative)	Reaffirmed
Long /Short term Bank Facilities – Fund/Non Fund Based	32.50	CARE BBB-; Negative/CARE A3 (Triple B Minus; Outlook: Negative/A Three)	Reaffirmed

Total Facilities Rated: 196.77 (Rupees One Hundred ninety six Crores and seventy seven lakh Only)

- xix) **Other Disclosures:**

- a) **Disclosures on materially significant Related Party Transactions that may have potential conflict with the interests of listed entity at large:**

None. There has been no materially significant Related Party Transaction entered into by the Company

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

None

- 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 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the amended SEBI (Prohibition of Insider Trading) Regulation, 2015 the Company has Devised Vigil Mechanism and has Whistle Blower Policy duly amended, under which the Company takes cognizance of complaints made by the employees and others. No employee of the Company/ no other person have been denied access to the Audit Committee of the Board of Directors of the Company. During the year under review, no complaints have been received from any whistle blower. The Whistle Blower Policy of the Company has been posted on the website of the Company and is available at https://www.mafatlals.com/wp-content/uploads/2019/04/Mafatlal_Whistle_Blower_Policy_01042019.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 read with other applicable provisions. Internal Complaints Committees are constituted and regularly redress Complaints, if any. During the year under review, no Complaint has been received in respect of Sexual Harassment from any of the employees of the Company and necessary disclosure for the same have been given to concerned Government Departments for respective locations.

- 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. Mr. Hrishikesh A. Mafatlal is an Executive Chairman of the Company. Mr. Priyavrata H. Mafatlal has been appointed as Chief Executive Officer & Executive Director of the Company w.e.f. 1st April, 2019. Further, the Company has also complied with the non-mandatory requirement of direct reporting of the Internal Auditors to the Audit Committee in respect of their findings/observation on Internal Audit carried on by them on quarterly basis as per the Internal Audit plans approved by the Audit Committee.

- f) **Web link where policy for determining 'material' subsidiaries:**

https://www.mafatlals.com/wp-content/uploads/2017/08/policy_on_materiality_of_subsidary.pdf

- g) **Web link where Policy on dealing with Related Party Transactions:**

https://www.mafatlals.com/wp-content/uploads/2019/06/Related_Party_Policy.pdf

- h) **The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

- i) A certificate from a Company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed to this report.
- j) The Board of Directors have accepted all recommendation of all the Committees of the Board during Financial Year 2019-20.
- k) Total fees for all services paid by the Listed Entity and its Subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part.

Description of Service	Amount in ₹ Lacs
Audit Fees	35.00
For Other Services (Limited Review of quarterly results, RBI & other certifications, Corporate Governance Audit)	18.50
Reimbursement of Expenses	1.28
Total	54.78

- l) **Disclosures with respect to Demat suspense account/ unclaimed suspense account:**
Not Applicable
- m) **The disclosure of the compliance with corporate governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 shall be made in the Section on Corporate Governance of the Annual Report.**
The Company has complied with all Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-Regulation (2) of Regulation 46.
- n) **Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**
- No. of complaints filed during the financial year : NIL
 - No. of complaints disposed of during the financial year : NIL
 - No. of complaints pending as on end of the financial year :NIL
- o) **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.**
- p) **Disclosure of accounting treatment different from accounting standards:**
None
- q) **Code of Conduct for Board Members and Senior Management:**
The Board of Directors, has laid down the Code of Conduct for all the Board Members and members of the Senior Management. The Code is also placed on the Company's website - www.mafatlals.com. A certificate from the Chief Executive Officer & Executive Director, affirming compliance of the said Code by all the Board Members and members of the Senior Management to whom the Code is applicable, is annexed separately to this report. Further, the Directors and the Senior Management of the Company have 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.
- r) **CEO/ CFO Certification:**
The Chief Executive Officer and Chief Financial Officer of the Company gives (a) annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of Listing Regulations (b) quarterly certification on financial result to the Board in terms of Listing Regulations.

Annexure to Corporate Governance Report of Mafatlal Industries Limited

Declaration regarding Affirmation of Code of Conduct

In terms of the requirements of Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, this is to confirm that all the members of the Board and Senior Management personnel of the Company have affirmed the compliances with the Code of Conduct of the Company for the year ended 31st March, 2020.

For and on behalf of Board
For **Mafatlal Industries Limited**,

Place: Mumbai
Date: 27th June, 2020

Priyavrata H. Mafatlal
Chief Executive Director & Executive Director
(DIN 02433237)

For and on behalf of the Board
For **Mafatlal Industries Limited**,

Place: Mumbai
Date: 27th June, 2020

Hrishikesh A. Mafatlal
Chairman
(DIN: 00009872)

Regd. Office:

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

Annexure III to Directors Report

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

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

i) Extract of the Annual Return:

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on 31/03/2020

[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 th January, 1913
iii)	Name of the Company:	Mafatlal Industries Limited
iv)	Category / Sub-Category of the Company :	Public Company Limited by Shares
v)	Address of the Registered Office and contact details	Heritage Horizon, 301-302, 3rd Floor, Off: C. G. Road, Navrangpura, Ahmedabad - 380 009. Tel: 91 -79-26444404-06 Fax: 91-79-26444403 E-mail: ahmedabad@mafatlals.com Website: www.mafatlals.com
vi)	Whether listed Company :	BSE Ltd. (Bombay Stock Exchange) and ASE (Ahmedabad Stock Exchange Limited which has opted for exit & trading platform is not operational for many years.)
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any :	KFin Technologies Pvt. Ltd. Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Mandal, Hyderabad-500032, India Tel: 040 6716 2222 Fax: 040 2342 0814 E-mail: einward.ris@ kfintech.com, website: www.kfintech.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:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	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.	Vrata Tech Solutions Private Limited 301 & 302, Heritage Horizon, Third Floor, OFF. C. G. Road, Navrangpura, AHMEDABAD, Ahmedabad, Gujarat, India, 380009	U74999GJ2020PTC113184	Wholly Owned Subsidiary	100%	2(87)

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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 01/04/2019				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2020				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	4865765	0	4865765	34.97	4866265	0	4866265	34.98	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	5097595	0	5097595	36.64	5097595	0	5097595	36.64	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	64889	0	64889	0.47	64889	0	64889	0.47	0.00
	Sub-Total A(1) :	10028249	0	10028249	72.08	10028749	0	10028749	72.08	0.00
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	10028249	0	10028249	72.08	10028749	0	10028749	72.08	0.00
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	3	8970	8973	0.06	3	8970	8973	0.06	0.00
(b)	Financial Institutions /Banks	211717	797	212514	1.53	208158	743	208901	1.50	-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
	Sub-Total B(1) :	354535	9768	364303	2.62	350976	9714	360690	2.59	-0.03
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate									
	(1) Indian	363244	1771	365015	2.62	153976	1707	155683	1.12	-1.50
	(2) Overseas									
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 lakh	1673582	430718	2104300	15.12	967844	417417	1385261	9.96	-5.17
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	989931	0	989931	7.12	1912903	0	1912903	13.75	6.63
(c)	Others									
	Clearing Members	0	0	0	0.00	1495	0	1495	0.01	0.01
	Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
	Non Resident Indians	60484	586	61070	0.44	55032	565	55597	0.40	-0.04
	NRI Non-Repatriation		0		0.00	12486	0	12486	0.09	0.09
	Trusts	18	0	18	0.00	22	0	22	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	3087259	433075	3520334	25.30	3103758	419689	3523447	25.33	0.03
	Total B=B(1)+B(2) :	3441794	442843	3884637	27.92	3454734	429403	3884137	27.92	0.00
	Total (A+B) :	13470043	442843	13912886	100.00	13483483	429403	13912886	100.00	0.00
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	13470043	442843	13912886	100.00	13483483	429403	13912886	100.00	

(ii) Shareholding of Promoters:

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year 01/04/2019			Shareholding at the end of the year 31/03/2020			% change in Shareholding
		No. of Shares	% of total shares of the Company	Pledge Shares As On 30/03/2019	No. of Shares	% of total shares of the Company	Pledge Shares As On 31/03/2020	
1	AARTI MANISH CHADHA	149180	1.07	0	149180	1.07	0	0.00
2	ALTAMOUNT PRODUCTS AND SERVICES PVT LTD	1064443	7.65	1064443	0	0.00	0	-7.65
3	ANJALI KUNAL AGARWAL	177430	1.28	0	177430	1.28	0	0.00
4	ARVI ASSOCIATES PVT LTD	25259	0.18	0	0	0.00	0	-0.18
5	GAYATRI PESTICHEM MANUFACTURING PVT LTD	22305	0.16	0	22305	0.16	0	0.00
6	HRISHIKESH A MAFATLAL	2673046	19.22	0	2673046	19.22	2672996	0.00
7	HRISHIKESH A MAFATLAL	503104	3.62	0	0	0.00	0	-3.62
8	HRISHIKESH ARVIND MAFATLAL AS TRUSTEE OF GURUKRUPA TRUST	0	0.00	0	100	0.00	0	0.00
9	HRISHIKESH ARVIND MAFATLAL AS TRUSTEE OF KARUNA TRUST	0	0.00	0	100	0.00	0	0.00
10	HRISHIKESH ARVIND MAFATLAL AS TRUSTEE OF NARASINGHA TRUST	0	0.00	0	100	0.00	0	0.00
11	HRISHIKESH ARVIND MAFATLAL AS TRUSTEE OF SRIJA TRUST	0	0.00	0	100	0.00	0	0.00
12	REKHA HRISHIKESH MAFATLAL AS TRUSTEE OF RADHA RAMAN TRUST	0	0.00	0	100	0.00	0	0.00
13	MRS MILONI PADMANABH MAFATLAL PUBLIC CHARITABLE TRUST NO. 1 to 5	2692	0.02	0	0	0.00	0	-0.02
14	MRS VIJAYALAXMI NAVINCHANDRA MAFATLAL PUBLIC CHARITY TRUST NO. 16, 19 & 20	1179	0.01	0	0	0.00	0	0.01
15	NAVINCHANDRA MAFATLAL CHARITY TRUST NO 2 to 15	11004	0.08	0	0	0.00	0	-0.01
16	NOCIL LIMITED	1954695	14.05	0	1954695	14.05	0	0.00
17	PRIYAVRATA MAFATLAL	558722	4.02	0	558722	4.02	558722	0.00
18	REKHA HRISHIKESH MAFATLAL	804283	5.78	0	1307387	9.40	664904	3.62
19	SETH NAVINCHANDRA MAFATLAL FOUNDATION TRUST NO. 1	16506	0.12	0	16506	0.12	0	0.00
20	SHAMIR TEXCHEM PRIVATE LIMITED	10	0.00	0	0	0.00	0	0.00
21	MR. HRISHIKESH ARVIND MAFATLAL PUBLIC CHARITABLE TRUST NO. 1	24128	0.17	0	24128	0.17	0	0.00
22	MR. PADMAKESH PUBLIC CHARITY TRUST NO 1 to 4	2168	0.02	0	0	0.00	0	0.02
23	MR. PRANSUKHLAL CHARITY TRUST NO 1 to 6	4716	0.03	0	0	0.00	0	0.00
24	SUKARMA INVESTMENTS PRIVATE LIMITED	839173	6.03	839123	0	0.00	0	-6.03
25	SUMIL HOLDINGS PVT LTD	10	0.00	0	2440748	17.54	2415469	17.54
26	SUREMI TRADING PVT LTD	1189431	8.55	677578	677578	4.87	677578	-3.68
27	SUSHRIPADA INVESTMENTS PVT LTD	2269	0.02	0	2269	0.02	0	0.00
28	VISHAD P MAFATLAL PUBLIC CHARITABLE TRUST NO.1 to 4	2496	0.02	0	0	0.00	0	0.00
29	VISHAD PADMANABH MAFATLAL PUBLIC CHARITABLE TRUST	0	0.00	0	24255	0.17	0	0.16
Grand Total		10028249	72.08	2581144	10028749	72.08	6989669	0.00

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

Sr. No.	Particulars	Shareholding at the beginning of the year 01/04/2019		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 of the Year (01/04/2019)	10028249	72.08	10028249	72.08
2	At the end of the Year (31/03/2020)	10028749	72.08	10028749	72.08

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

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

Sr. No.	Name of the Share Holder	Shareholding at the beginning of the Year 01/04/2019			Cumulative Shareholding during the Year			% of total shares of the Company
		No of Shares	% of total shares of the Company	Date	Increase/ Decrease in share holding	Reason	No of Shares	
1	MINAL BHARAT PATEL	911	0.01	30/03/2019			911	0.01
				06/03/2020	594219	Transfer	595130	4.28
				31/03/2020			595130	4.28
2	BHARAT JAYANTILAL PATEL	594219	4.27	30/03/2019			594219	4.27
				06/03/2020	-594219	Transfer	0	0.00
				31/03/2020			0	0.00
3	NAVIN FLUORINE INTERNATIONAL LIMITED	263616	1.89	30/03/2019			263616	1.89
				26/04/2019	-1742	Transfer	261874	1.88
				17/05/2019	-1225	Transfer	260649	1.87
				24/05/2019	-41690	Transfer	218959	1.57
				31/05/2019	-65993	Transfer	152966	1.10
				07/06/2019	-2468	Transfer	150498	1.08
				14/06/2019	-223	Transfer	150275	1.08
				28/06/2019	-2894	Transfer	147381	1.06
				29/06/2019	-20	Transfer	147361	1.06
				05/07/2019	-244	Transfer	147117	1.06
				12/07/2019	-8	Transfer	147109	1.06
				02/08/2019	-1000	Transfer	146109	1.05
				09/08/2019	-4871	Transfer	141238	1.02
				16/08/2019	-16	Transfer	141222	1.02
				13/09/2019	-294	Transfer	140928	1.01
				20/09/2019	-1731	Transfer	139197	1.00
				27/09/2019	-17053	Transfer	122144	0.88
				18/10/2019	-4838	Transfer	117306	0.84
				25/10/2019	-8795	Transfer	108511	0.78
				01/11/2019	-2756	Transfer	105755	0.76
				15/11/2019	-450	Transfer	105305	0.76
				20/12/2019	-277	Transfer	105028	0.75
				27/12/2019	-1107	Transfer	103921	0.75
				10/01/2020	-1190	Transfer	102731	0.74
				17/01/2020	-85148	Transfer	17583	0.13
				24/01/2020	-26070	Transfer	-8487	-0.06
				31/01/2020	-33203	Transfer	-41690	-0.30
				31/03/2020			0	0.00
4	HARDIK B. PATEL	181963	1.31	30/03/2019			181963	1.31
				31/03/2020			181963	1.31
5	STATE BANK OF INDIA	168428	1.21	30/03/2019			168428	1.21
				31/03/2020			168428	1.21
6	LIFE INSURANCE CORPORATION OF INDIA	142815	1.03	30/03/2019			142815	1.03
				31/03/2020			142815	1.03
7	MAYUR V SHAH	111000	0.80	30/03/2019			111000	0.80
				31/03/2020			111000	0.80
8	SUCHITA MAYUR SHAH	59131	0.43	30/03/2019			59131	0.43
				24/05/2019	2807	Transfer	61938	0.45
				31/05/2019	50000	Transfer	111938	0.80
				07/06/2019	1869	Transfer	113807	0.82
				31/03/2020			111000	0.80

Sr. No.	Name of the Share Holder	Shareholding at the beginning of the Year 01/04/2019			Cumulative Shareholding during the Year			% of total shares of the Company
		No of Shares	% of total shares of the Company	Date	Increase/ Decrease in share holding	Reason	No of Shares	
9	RUCHIT BHARAT PATEL	102749	0.74	30/03/2019			102749	0.74
				31/03/2020			102749	0.74
10	MAYUR V SHAH	0	0.00	30/03/2019			0	0.00
				21/06/2019	1158	Transfer	1158	0.01
				05/07/2019	3842	Transfer	5000	0.04
				26/07/2019	349	Transfer	5349	0.04
				02/08/2019	715	Transfer	6064	0.04
				09/08/2019	873	Transfer	6937	0.05
				16/08/2019	3063	Transfer	10000	0.07
				23/08/2019	4	Transfer	10004	0.07
				04/10/2019	16500	Transfer	26504	0.19
				18/10/2019	3497	Transfer	30001	0.22
				25/10/2019	6071	Transfer	36072	0.26
				08/11/2019	1616	Transfer	37688	0.27
				06/12/2019	917	Transfer	38605	0.28
				13/12/2019	300	Transfer	38905	0.28
				20/12/2019	23102	Transfer	62007	0.45
				03/01/2020	824	Transfer	62831	0.45
				10/01/2020	1966	Transfer	64797	0.47
				24/01/2020	8025	Transfer	72822	0.52
				31/03/2020	400	Transfer	73222	0.53
				31/03/2020			73222	0.53
11	BHARATI BHARAT DATTANI	68402	0.49	30/03/2019			68402	0.49
				31/03/2020			68402	0.49
12	BHARAT JAMNADAS DATTANI	67583	0.49	30/03/2019			67583	0.49
				31/03/2020			67583	0.49
13	MAYUR V SHAH	60000	0.43	30/03/2019			60000	0.43
				20/12/2019	-23000	Transfer	37000	0.27
				28/02/2020	-25000	Transfer	12000	0.09
				31/03/2020			12000	0.09

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

Sr. No.	Shareholding of each Director and KMP	Shareholding at the beginning of the Year (01st April, 2019)		Cumulative Shareholding at the end of the Year (31st March, 2020)	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	Mr. Hrishikesh A. Mafatlal (Executive Chairman)	3176150	22.83	2673046	19.21
2	Mr. Priyavrata H. Mafatlal	558722	4.02	558722	4.02
3	Mr. Vilas R. Gupte	2	0	2	0
4	Mr. Pradip N. Kapadia	138	0	138	0
5	Mr. Atul K. Srivastava*	NA	NA	NA	NA
6	Mr. Gautam G. Chakravarti*	NA	NA	NA	NA
7	Mrs. Latika P Pradhan*	NA	NA	NA	NA
8	Mr. Sujal A. Shah*	NA	NA	NA	NA
9	Mr. Milan P Shah (Chief Financial Officer)*	NA	NA	NA	NA
10	Mr. Ashish A. Karanji (Company Secretary) *	NA	NA	NA	NA

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

Mafatlal Industries Limited

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i. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment as on 31st March, 2020

(₹ in Lakhs)

Indebtedness as on 31.03.2020	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	20,697.16	-	-	20,697.16
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	89.31	-	-	89.31
Total (i+ii+iii)	20,786.47	-	-	20,786.47
Change in Indebtedness during the financial year				
Addition	3,812.00	-	-	3,812.00
Reduction	9,584.50	-	-	9,584.50
Net Change	-5,772.50	-	-	-5,772.50
Indebtedness at the end of the financial year				
i) Principal amount	14,974.62	-	-	14,974.62
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	39.35	-	-	39.35
Total (i+ii+iii)	15,013.97	-	-	15,013.97

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager for the year 2019-20

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WT/Manager
1	Gross salary	Mr. P. H. Mafatlal
	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	55.07
	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.39
	Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961	-
2	Stock Option (no. of options granted, not yet vested/ exercised) (since lapsed as at 31.03.2020)	Nil
3	Sweat Equity	Nil
	- as % of profit	
	- Other, specify	
4	Commission	Nil
	- as % of profit	
	- Other, specify	
5	Other, please specify	
	a. Company's contribution to Provident Fund	3.12
	b. Company's contribution to Superannuation Fund	3.90
	c. PL encashment	Nil
	d. Gratuity (at the end of tenure)	Nil
	Total	62.48
	- Ceiling as per Section 197 of The Companies Act, 2013 read with Schedule V	120.00

There was no commission paid to any directors in respect of financial year 2019-20. Mr. H. A. Mafatlal, Executive Chairman of the Company had voluntarily opted for waiver of remuneration for the year 2019-20 also.

B. Remuneration to other Directors for the year 2019-20:

Sr. No.	Particulars of Remuneration	(₹ in Lakhs)						
1	Independent Directors	Mr. Vilas R. Gupte	Mr. Atul K. Srivastava	Mr. Pradip N. Kapadia	Mrs. Latika P. Pradhan	Mr. Sujal A. Shah	Mr. Gautam G. Chakavarti	Total Amount
	• Fee for attending Board & Committee Meetings	9.10	9.80	6.30	7.00	7.00	14.00	53.20
	• Commission	Nil	Nil	Nil	Nil	Nil	Nil	-
	• Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	-
	Total							53.20

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD for 2019-20:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. M. P. Shah (Chief Financial Officer)	Mr. A. A. Karanji (Company Secretary)	Total
1	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	202.97	31.30	234.27
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	0.39	0.32	0.72
	(c) Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961			
2	Stock Option* (no. of options granted but not vested/exercised)	44,000 (Options)	12,000 (Options)	56,000 (Options)
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5	Others, please Specify			
	a. Company's contribution to Provident Fund	9.19	1.58	10.78
	b. Company's contribution to Superannuation Fund	1.31	1.98	3.29
	c. PL encashment	Nil	Nil	
	d. Gratuity (at the end of tenure)	Nil	Nil	
	Total	213.87	35.19	249.06

* None of the options are exercised as of date.

VI. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES PAID/DONE FOR THE YEAR 2019-20 : NIL

OTHER DISCLOSURES UNDER DIRECTORS REPORT:

(A) Number of Meetings of the Board:

During the year 2019-20 i.e. from 1.04.2019 to 31.03.2020, Six Meetings of the Board of Directors of the Company were held.

(B) Changes in Share Capital:

During the year 2019-20 there was no change in the Share Capital of the Company.

(C) Declaration given by Independent Directors:

Pursuant to the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV, all the Independent Directors of the Company viz. Mr. Vilas. R. Gupte, Mr. Atul K. Srivastava, Mr. Pradip N. Kapadia, Mrs. Latika P. Pradhan, Mr. Gautam G. Chakravarti, and Mr. Sujal A. Shah, submitted their declaration of independence and the same have been taken on record by the Board of Directors of the Company at their Meeting held on May 12, 2020. Independent Directors of the Company have confirmed that they have registered themselves with Independent Director's Database of IICA and will appear for the online Proficiency Test of IICA, if applicable.

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

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

A. Criteria for appointing a Director:

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

(D) Comments on the Auditors Report:

The Audit Report on the financial statements for the year ended on 31st March, 2020 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.

(E) Particulars of Loans, Guarantees or Investments:

The requisite details are provided in the Directors Report.

(F) 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.

(G) Development and implementation of Risk Management Policy:

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

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

The Board of Directors of the Company has framed CSR Policy for the Company as per the recommendation of CSR Committee of the Board. The Company has NIL CSR Obligation for the year 2019-20 hence there is no CSR expenditure incurred by the Company. Further details are mentioned under other para of this annexure.

(I) Composition of Audit Committee:

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

(J) Vigil Mechanism:

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

(K) Other Disclosures:

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

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

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

All the Related Party Transactions are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc., which may have potential conflict with the interest of the Company at large. The Related Party Transaction Policy as approved by the Board of Directors of the Company 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 are on arm's length basis. The transaction amounts were not exceeding the applicable statutory limits and therefore no approvals from the shareholders were required. Further details are provided hereunder in AOC 2.

Form No. AOC-2

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

Disclosure of the Related Party Transactions of Mafatlal Industries Limited for the year ended 31st March, 2020

1 Details of contracts or arrangements or transactions not at arm's length basis

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

2 Details of material contracts or arrangements or transactions at arm's length basis for the year ended 31st March, 2020

(₹ In Lakhs)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions/salient terms	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
1	NOCIL Ltd	Rendering of Services (as per Omnibus approval granted by Audit Committee & approved by Board)	Continuing arrangement towards recovery of utility & service charges cost /fees apportionment	9.11	16.05.2019	Nil
2	Mafatlal Services Limited	Receiving of Services (as per Omnibus approval granted by Audit Committee & approved by Board)	Continuing arrangement towards payment of utility & service charges cost /fees apportionment	13.52	16.05.2019	Nil
3	NOCIL Ltd	Dividend received	Dividend declared by Investee Company and received by the Company as shareholders	1262.95	16.05.2019	Nil
4	Suremi Trading Pvt. Ltd.	Sale of Goods	Continuing arrangement wherein sale price of Company goods charged are not less than other customers	0.03	16.05.2019	Nil
5	Arvi Associates Pvt Ltd	License Fees under Leave & License Agreement with prior approval of Audit Committee & Board	Continuing arrangement towards leave & license fees for 200 sq.ft. area at Company's premises in Mumbai	3.83	31.01.2019	Nil
6	Gayatri Pestichem Mfg. Pvt Ltd	License Fees under Leave & License Agreement	Continuing arrangement towards leave & license fees for 20 sq. ft. area at Company's premises in Ahmedabad	0.13	31.01.2019	Nil

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

Statements pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2020.

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

I) Conservation of Energy

A) ENERGY CONSERVATION MEASURES TAKEN :

- 38.8 Lakh Units were utilized from Solar Generation through Mid term Bilateral agreement, as a part of Renewable energy use initiatives.
- Old Submersible pumps replaced with new energy efficient pumps to reduce power consumption.
- Installation of new Energy meters and CT PT to monitor section wise power consumption.
- Sustain lowest possible kwh/kg or Kwh/Mtr through minimum operation of machines and aligning maintenance schedule and production programme.

5. Improved performance of Caustic Recovery Plant, which resulted in less consumption of fresh Caustic Lye for Bleaching section.
6. Detail audit was conducted for Air distribution network. Leakages were identified and attended which resulted in reduction of Air compressor working hours and power consumption.
7. Installed energy efficient LED Lights / Highbay fixtures in place of conventional Copper/ Electronics ballast fixtures, at various locations.
8. Close monitoring & attending various steam leakages, proper maintenance & management of steam trap, and installed steam condensate recovery pump at various new locations, which resulted in reduction of steam consumption per mt of fabric.
9. Further re-use of 150 KLD hot water from cooling cycle of various machines in Dyeing section.
10. Installed Pressure Transducer in water supply system and linked with inverter drive pump to maintain optimum water supply pressure. With this, saved about 36,500 KL of water per year.

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

Investments Proposals for 2020-21

- 1 Upgradation of Stenter machines
- 2 Upgradation of Caustic Lye Recovery Plant
- 3 Upgradation of Fabric Singing machine
- 4 Upgradation of Steam Boiler

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

- 1) Installation of new Yamuna Print Washer to reduce water consumptions.
- 2) Commissioned and taken in to operation, new Effluent Treatment Plant with advance technology to achieve better quality parameters of treated water and also having Anerobic digester will help in reduction of Solid waste generation.

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.

1. Total Power consumption has been reduced to 1.11 units / mtr as compared to previous year of 1.17 units / mtr of Finished fabric.
2. Specific Power consumption of Ring Spinning Department has been reduced to 4. 10 Units/ Kg as compared to previous year's of 4.27 units/ Kg.
3. Specific steam consumption of Processing has been reduced to 3.45 Kg / Mt as compared to previous year 3.7Kg / Mt of Finished fabric.

(B) Information regarding technology imported during last 3 years:

(a) Technology Imported:	1) Digital Printing Machine - Konica Minolta Nassenger 8 2) Soft Flow Machine – Sclavos Athena 3A
(b) Year of Import:	2019-20
(c) Has technology been fully absorbed	Yes
(d) If not fully absorbed, not taken place, reasons therefor and future plans of action.	N.A.
(a) Technology Imported:	Auto titrators in dyeing, 96 new looms in weaving and Lafer Brushing machine in processing.
(b) Year of Import:	2016 & 2017 respectively
(c) Has technology been fully absorbed	Yes
(d) If not fully absorbed, not taken place, reasons therefor and future plans of action.	N. A.

(C) EXPENDITURE ON R. & D.

Details	Current Year 2019-20 (₹ in Lakhs)	Previous Year 2018-19 (₹ in Lakhs)
(a) Capital Expenditure	-	-
(b) Recurring Expenditure	107.29	103.44
Total	107.29	103.44
(a) Total R. & D. Expenditure as a percentage of total turnover	0.10%	0.09%

(3) FOREIGN EXCHANGE EARNING AND OUTGO:

(A) Activity relating to exports initiatives taken to increase exports, development of new export markets for products and services and export plans:

The efforts are on to enter deep into new markets of the Middle East, Europe, Africa, US and other Countries.

(B) Total Foreign Exchange used and earned:

(Amount ₹ in Lakhs)

	Current Year 2019-20	Previous Year 2018-19
Total Foreign Exchange used	660.08	1,629.37
Total Foreign Exchange earned	7,361.26	10,521.45

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

Board:

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

Committees of the Board:

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

Individual Directors:

- Independent Directors: In accordance with the criteria suggested by The Nomination and Remuneration Committee, the performance of each Independent Director was evaluated by the entire Board of Directors (excluding the director being evaluated) on broad parameters like engagement, leadership, analysis, decision making, communication, governance and interest of stakeholders. The Board was of the unanimous view that each Independent Director was a reputed professional and brought his/her rich experience to the deliberations of the Board. The Board also appreciated the contribution made by all Independent Directors in guiding the management for achieving growth and continuance of each Independent Director on the Board will be in the interest of the Company.
- Non-Independent Directors: The performance of each of the Non-Independent Directors was evaluated by the Independent Directors at their separate Meeting held on 26th June, 2020 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) DISCLOSURES UNDER SECTION 197(12) AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AS AMENDED:

The requisite details relating to ratio of remuneration, percentage increase in remuneration etc. as stipulated under the above Rules are provided here 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 2019-20:

Sr. No.	Directors	Remuneration (₹ In Lakhs)	Median Remuneration (₹ In Lakhs)	Ratio *
1	Mr. H. A. Mafatlal - Executive Chairman	Nil	3.02	-
2	Mr. A. K. Srivastava	9.80	3.02	3.24
3	Mr. V. R. Gupta	9.10	3.02	3.01
4	Mr. P. N. Kapadia	6.30	3.02	2.08

Sr. No.	Directors	Remuneration (₹ In Lakhs)	Median Remuneration (₹ In Lakhs)	Ratio *
5	Mrs. L. P. Pradhan	7.00	3.02	2.31
6	Mr. G.G. Chakravarti	14.00	3.02	4.65
7	Mr. S.A. Shah	7.00	3.02	2.31.
8	Mr. P. H. Mafatlal, Executive Director	62.48	3.02	20.68

*The ratio is considered comparing median remuneration of all employees with the remuneration paid to Directors. Please note that Mr. H. A. Mafatlal, Executive Chairman has voluntarily waived his remuneration for the year 2019-20 also.

The Non-Executive Directors were only paid sitting fees for attending Meetings of the Board and Committees thereof for the year 2019-20 at the rate ₹70,000/- per Meeting and diem allowance as per Company policy.

- ii. Percentage increase in remuneration of each Director, CEO, CFO and Company Secretary in the financial year 2019-20:

The remuneration increase given to MD & CEO was Nil%, CFO was 5% and CS was 7%. There is no increase in remuneration of other executives or Non- Executive Directors

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

- iv. The number of permanent employees on the rolls of the Company: 1,753 (2,377 last year)

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

Average increase in the salaries of employees is 5% (5% in previous year). There is no exceptional increase in the managerial remuneration.

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

None

- vii. Details of the employees employed for full year or part of the year having remuneration of ₹1.02 crores p.a. where employed for the full year:

(Note: Remuneration includes salary, allowances, perquisites, contribution to PF, Superannuation fund, leave encashment and 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 Rupees in Lakhs, nature of employment (contractual or otherwise), qualification, experience (in years), date of commencement of employment, age of employees (in years), last employment held before joining this Company, % of equity shares held by the employee, whether such employee is a relative of any of the Director (answer in yes or no and if yes, name of the Director)

- (a) Mr. Maheshwari V. K., President & Business Head (Textiles), ₹ 139.90 Lakhs, Bachelor of Textiles (Hons), 34 years of experience, 01.06.2014, 56 years, Morarjee Textiles Ltd., Nil, No. (b) Mr. Raghunath M. B., President & Business Head (MSD), ₹ 162.43 Lakhs, contractual, Bachelors Degree in Physics, MBA- Mktg from NMMIS-Mumbai, 34 years of experience, 01.04.1995, 55 years, Berger Paints, Nil, No. (c) Mr. Shah Milan, CFO, ₹ 213.87 Lakhs, contractual, B.Com, [CA, CS, 35 years of experience, 61 years, Arvind Limited, Nil, No.

- viii. Details of the employees employed for the part of the year and having salary of not less than ₹ 8.5 Lakhs per month:

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

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

None

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

None.

- x. It is affirmed that the Company has complied with the applicable secretarial standards issued by the Institute of Company Secretaries of India.

(6) Disclosure required pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014:

Note: this entire information is also available on the website of the Company www.mafatlals.com under "financial & disclosures" section as a part of this 106th Annual Report.

Disclosures by the Board of Directors

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

- A. Relevant disclosures in terms of the Guidance Note on 'Accounting for Employee Share-Based Payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

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

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

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

C. Details related to ESOS

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

The shareholders of the Company at 103rd Annual General Meeting held on 2nd August 2017 approved creation of 6,95,000 employee stock options pool under Mafatlal Employee Stock Option Plan, 2017 by way of a Special Resolution. The Board of Directors of the Company had, as per the recommendation of the Nomination & Remuneration Committee (NRC) approved the "Mafatlal Employees Stock Option Plan 2017. Thereafter, the NRC had, at their Meeting held on 10th November 2017, approved the grant of 1,38,000 options to certain Senior Management employees. Further, the NRC had made a second grant on 1st August, 2019 to certain executives of the Company aggregating to 3,18,000 options. Thereafter, no further grant has been made.

As at 31st March, 2020, 72,000 options remained outstanding (valid) out of the first grant and the entire 3,18,000 options granted under the second grant during 2019-20 remained yet to be vested, while 66,000 options lapsed due to the resignations of the employees (option grantees) out of 1st grant and went back to the Option Pool, available for further grants in the future. The exercise price, under the first grant, was ₹ 322.70/- per option, and ₹ 78.65/- per option under the second grant.

There have been no exercise of vested options as of date.

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

The other disclosures are as follows:

- (a) Date of shareholders' approval: 2nd August, 2017
(b) Total number of options approved under ESOS: 6,95,000
(c) Vesting requirements:

The first grant (made in 2017) of options was approved with progressive vesting of 15%, 20%, 30% & 35% on every anniversary of the vesting. For second grant made in 2019, the vesting would be 100% on completion of first anniversary of the grant.

- (d) Exercise price or pricing formula: ₹ 322.70/- per option under first grant and ₹ 78.65/- per option for second grant.
(e) Maximum term of options granted: 5 years (1 year vesting & 4 years exercise period)
(f) Source of shares (primary, secondary or combination): Primary
(g) Variation in terms of options: None

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

- (iii) Option movement during the year 2019-20 (For Each ESOS):

Particulars	Details
Number of options outstanding at the beginning of the period	72,000
Number of options granted during the year	3,18,000 (fresh grant)
Number of options lapsed/forfeited during the year (due to resignations)	NIL
Number of options exercisable during the year	72,000

Particulars	Details
Number of options vested during the year	25,200
Number of options exercised during the year	NIL
Number of shares arising as a result of exercise of options	N.A.
Money realized by exercise of options (INR), if scheme is implemented directly by the Company	Nil
Loan repaid by the Trust during the year from exercise price received	NA
Number of options outstanding at the end of the year	3,90,000
Number of options exercisable at the end of the year	25,200

Out of total grant made in 2017 i.e. 1,38,000 options granted, as at 31st March, 2020, 72,000 optioned remained valid and outstanding.

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

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

- (v) Employee wise details of options granted during 2019-20:

- (a) Senior Management (name & number of options granted)

Mr. Milan Shah 30,000, Mr. Vijay Maheshwari 30,000, Mr. M. B. Raghunath 30,000, Mr. Ashok Ramdham 20,000, Mr. Dilip Dhabe 20,000, Mr. Sachin Karwa 20,000, Mr. Sonal Mehrotra 20,000, Mr. Gaurav Gupta 20,000, Mr. Jaiwanta Nalode 20,000, Mr. Ashish Karanji 12,000, Mr. Shibin Chulliparambil 12,000, Mr. Nandkumar Gajria 12,000, Mr. Rajesh Shrimankar 12,000, Mr. Sailesh Nair 12,000, Mr. Dilip Patel 12,000, Mr. Vatsal Sheth 12,000, Ms. Smita Jhanwar 8,000, Mr. Anirudha Rathod, 8,000, Mr. Anish Pimputkar 8,000.

- (b) Any other employee who receives a grant in any one year of option amounting to 5% or more of the option granted during that year;
None

- (c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant:
None

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

Fair value using the Black- Scholes Options Pricing Model :

1. Fair Value Computation

Fair value of the Options granted by the Company on August 1, 2019 is given below:

Grant Date: 01-Aug-19

Vest 1 01-Aug-20

Variables 100%

Stock Price 78.65

Volatility 42.29%

Risk-free Rate 5.97%

Exercise Price 78.65

Expected Life (Time to Maturity) 2.5

Dividend yield 0.00%

Option Fair Value 25.08

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

2. Rationale for the variables used

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

A. Stock price

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

B. Volatility

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

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

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

The Fair Value of an option is very sensitive to this variable. Higher the volatility, higher is the Fair Value.

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

C. Risk-free interest rate

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

D. Exercise Price

The Exercise Price as communicated to us by the management of the Company have been considered in the valuation.

E. Time to Maturity / Expected Life of the Options

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

For the options granted on August 1, 2019, the earliest date of exercise is August 1, 2020 i.e. one year from the date of grant and those options can be exercised during the period of 4 years from the date of Vesting, i.e. till August 1, 2024. Hence, the minimum option life is 1 year, and the maximum option life is 5 years. The average life is the arithmetic average of the two extremes – the minimum life and the maximum life, i.e. $(1+4)/2 = 2.5$ years. Time to Maturity has been estimated on a similar basis for the remaining vesting tranches.

F. Expected Dividend Yield

The dividend yield expectation over the expected life of the option has been considered at 0% for the purpose of this valuation based on the discussions with the management.

Please also refer to Note No. 37 under Notes to Accounts in Financial Statement

7. CSR REPORT 2019-20:

A. Brief outline of CSR Policy:

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

B. Composition of CSR Committee:

The CSR Committee of the Board of Directors presently consists of three Directors viz. Mr. Hrishikesh A. Mafatlal (Chairman), Mr. Sujal A. Shah and Mr. Atul K. Srivastava (other Members), both are Independent Directors of the Company. The composition of the Committee conforms to the statutory requirement.

C. Calculation of CSR Obligation for 2019-20 based on the Average Profit of the Company for last three financial years

(Amt. ₹ in Lacs)	
Year	*Net Profit for the purpose of CSR Obligation
2018-19	(18,897.82)
2017-18	(4,308.03)
2016-17	(2,005.19)
A. Total Net Profit for three years (A)	(25,211.04)
B. Average Net Profit (A/3)	(8,403.68)
C. 2% of average Net Profits (to be NIL/NA spent on CSR) in 2019-20	NIL due to losses

*Net Profit is calculated as per the provisions of Section 198 read with Section 135 of the Companies Act, 2013 ('Net Profit as per Rule 2(f) of Companies (CSR Policy) Rules, 2014 excluding dividends from Companies to which CSR provisions are applicable and they are complying with the CSR requirements).

I. Manner in which the amount spent during the Financial Year 2019-20 : N.A.

Since there was NIL CSR Obligation, no expenses were incurred on CSR activities during the year 2019-20.

II. The Company has Nil CSR obligation for the year 2019-20

III. Responsibility Statement of CSR Committee:

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

For **Mafatlal Industries Limited**,

For **Mafatlal Industries Limited**,

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

Place: Mumbai
Date: 27th June, 2020.

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

Priyavrata H. Mafatlal
CEO & Executive Director
(DIN 02433237)

Annexure IV to Directors Report

Secretarial Audit Report for the Financial Year ended on 31st March, 2020

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

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

Sirs,

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives in electronic form using the Information Technology Tools due to lockdown on account of COVID- 19, during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit year covering the year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent , in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (upto 10th November, 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 11th November, 2018); **(Not Applicable to the Company during the Audit Period)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (upto 10th September 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (with effect from 11th September 2018); **(Not Applicable to the Company during the Audit Period)**
- (vi) We have relied on the representation made by the Company, its Officers and on the reports given by designated professionals for systems and processes formed by the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations to the Company.

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

- 1. Explosives Act, 1884
- 2. Essential Commodities Act, 1955
- 3. Textile Committee Act, 1963
- 4. Textile (Development & Regulation) Order, 2001.
- 5. Textile (Consumer Protection) Regulations, 1988

6. Electricity Act, 2003
7. Public Liability Insurance Act, 1991
8. Information Technology Act, 2000

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

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

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

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

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

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

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

Place: Ahmedabad
Date : 27th June, 2020

Umesh Ved
Umesh Ved & Associates
Company Secretaries
FCS No.: 4411
C.P. No.: 2924
UDIN: F004411B000390082

Mafatlal Industries Limited

106th Annual Report 2019-20

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

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

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

Place : Ahmedabad
Date : 27th June, 2020

Umesh Ved
Umesh Ved & Associates
Company Secretaries
FCS No.: 4411
C.P. No.: 2924
UDIN: F004411B000390082

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date : 27th June, 2020

Umesh Ved
Umesh Ved & Associates
Company Secretaries
FCS No.: 4411
C.P. No.: 2924
UDIN: F004411B000390082

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of
Mafatlal Industries Limited

We have examined the compliance of conditions of Corporate Governance by Mafatlal Industries Limited, for the year ended March 31, 2020 as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N-500016

Place: Pune
Date: June 27, 2020

Jeetendra Mirchandani
Partner
Membership Number: 048125
UDIN: 20048125AAAAEU6256

INDEPENDENT AUDITOR'S REPORT

To the Members of Mafatlal Industries Limited

Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Mafatlal Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Emphasis of Matter

4. We draw attention to Note 48(a) to the standalone financial statements, which describes the management's assessment of the financial impact consequent to outbreak of Coronavirus (Covid-19) and uncertainties due to the lock-down and other restrictions related to Covid-19. In view of highly uncertain economic environment, a definitive assessment of the impact of the events in the subsequent periods on the Balance Sheet as of the year end is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Key audit matter

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

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of recoverability of deferred tax assets:</p> <p>Refer Note 35(d) to the standalone financial statements.</p> <p>In accordance with its accounting policy, the Company recognises DTA on temporary differences and unabsorbed depreciation as it is considered to be recoverable based on the Company's projected taxable profits in the forecast period. The Carrying value of Deferred Tax Assets (DTA) is ₹ 1,227.96 lakhs as at March 31, 2020.</p> <p>We considered this a key audit matter because significant judgement is required by the Company in determining the recoverability of DTA recognised on unabsorbed depreciation as the realisation of tax benefits is dependent on future taxable profits and there are inherent uncertainties involved in forecasting such profits.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Evaluation of the design and testing operating effectiveness of Company's controls relating to the assessment of carrying amount of deferred tax assets, the preparation of the forecast and its related inputs/ assumptions. • Reviewed the appropriateness of the Company's accounting policy in respect of recognising deferred tax assets on unabsorbed depreciation and temporary difference. • Obtained the future taxable profit projections prepared by the management and obtained understanding of process followed and the assumptions used in such preparation. • Assessed the appropriateness of tax rate applied to the taxable profit forecasts. • Considering whether the tax losses, on which deferred tax asset is recognised, have been assessed by the tax authorities and are available for utilisation in accordance with the provisions of Income Tax Act, 1961. • Checked the mathematical accuracy of the underlying calculations of the profit projections. • Reviewed the adequacy of disclosures made in the financial statements with regards to deferred taxes. <p>Based on the above procedures, the Management's assessment of recoverability of deferred tax assets was considered to be reasonable.</p>

Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, Management Discussion and Analysis report and Secretarial Audit Report but does not include the standalone financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report. The Corporate Information and

summarised financial information is expected to be made available to us after the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

7. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.
8. When we read the Corporate Information and summarised financial information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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

9. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

16. As required by the Companies (Auditor's Report) Order, 2016 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 42, 48(b) and 49 to the standalone financial statements;
 - (ii) The Company has long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at March 31, 2020;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020;
 - (iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
18. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 11 of Annexure B.

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

Jeetendra Mirchandani
Partner
Membership Number: 048125
UDIN: 20048125AAAAEQ6893

Place: Pune
Date: June 27, 2020

Annexure A to Independent Auditor's Report

Referred to in paragraph 17(f) of the Independent Auditor's Report of even date to the members of Mafatlal Industries Limited on the standalone financial statements for the year ended March 31, 2020.

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

1. We have audited the internal financial controls with reference to financial statements of Mafatlal Industries Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, 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. Also refer paragraph 4 of our audit report.

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

Jeetendra Mirchandani
Partner
Membership Number: 048125
UDIN: 20048125AAAAEQ6893

Place: Pune
Date: June 27, 2020

Annexure B to Independent Auditor's Report

Referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of Mafatlal Industries Limited on the standalone financial statements as of and for the year ended March 31, 2020

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, other than self-constructed properties as disclosed in Note 3, 4 and 17 on Property, Plant and Equipment, Investment Property and Assets held for sale respectively, to the standalone financial statements, are held in the name of the Company, except for a leasehold land of gross and net book value of ₹ 0.08 Lakhs, where the Company is in process of getting expired lease renewed.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of interest on employees' state insurance and duty of excise, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and goods and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance and other material statutory dues, as applicable, with the appropriate authorities. Also, Refer Note 48(b) to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

Further, for the period February 1, 2020 to March 31, 2020, the company has paid Goods and Service Tax and filed GSTR-1 and GSTR-3B after the due date but within the timelines allowed by Central Board of Indirect Taxes and Customs under the Notification Number 31/2020, 32/2020 and 33/2020 dated April 3, 2020 on fulfilment of conditions specified therein.

The extent of the arrears of statutory dues outstanding as at March 31, 2020 for a period of more than six months from the date they became payable are as follows:

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

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of customs, excise duty and value added tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount unpaid (₹ in lakhs) #	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Central Excise	13.41	1998-2000, 2002-03	Supreme Court
Central Excise Act, 1944	Central Excise	39.43	1989-1990 to 2003-2004	Commissioner of Central Excise (Appeals)
Central Excise Act, 1944	Central Excise	8.11	1999-2000	Commissioner of Central Excise
Central Excise Act, 1944	Central Excise	2,996.05*	1997-1999, 2007- 2008 to 2009- 2010	Appellate Tribunal

Name of the statute	Nature of dues	Amount unpaid (₹ in lakhs) #	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Central Excise	1.41	2006-2011	Assistant Commissioner of Central Excise
Customs Act, 1944	Customs Duty	4.79	1989 - 1990 to 1999 - 2000	Joint General Director of Foreign Trade
Maharashtra Value Added Tax Act, 2002	VAT	23.22	1999-2000	Joint Commissioner of Sales Tax (Appeals) – II
Central Sales Tax Act, 1956	VAT	0.92	1999-2000	Joint Commissioner of Sales Tax (Appeals) – II
Finance Act, 1994	Service Tax	0.70	1997-1999	Appellate Tribunal
Income Tax Act, 1961	Income Tax	278.02	Assessment Year 2004-2005	Income tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1,666.29	Assessment Years 1997-1998, 1998-99 and 2012-2013	Commissioner of Income Tax

Net of amount paid under protest.

* The Company has received a favorable order for liability of ₹ 2,914.72 lakhs subsequent to the year end.

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the Balance Sheet date. The Company has not issued any debentures.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loan have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act [Also refer paragraph 18 of our main audit report].
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with them as prescribed under section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Jeetendra Mirchandani
Partner
Membership Number: 048125
UDIN: 20048125AAAAEQ6893

Place: Pune
Date: June 27, 2020

Mafatlal Industries Limited

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Standalone Balance Sheet as at March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	13,154.75	13,210.21
Right-of-use assets	3(b)(i)	66.83	-
Investment properties	4	250.68	287.22
Intangible assets	5	346.34	362.15
Intangible assets under development	5	-	61.98
Investment in a subsidiary	6(a)	27.50	27.50
Financial assets			
i. Investments	6(b)	16,775.80	37,381.15
ii. Loans	8	481.18	471.74
iii. Other financial assets	9	566.74	671.63
Deferred tax assets (Net)	35(d)	1,227.96	1,227.96
Other non-current assets	10	94.19	498.22
Income tax asset (Net)	35(g)	1,701.46	1,831.26
Total non-current assets		34,693.43	56,031.02
Current assets			
Inventories	11	10,605.69	10,496.54
Financial assets			
i. Investments	7	65.00	-
ii. Trade receivables	12	25,467.82	19,560.29
iii. Cash and cash equivalents	13	2,695.21	1,019.73
iv. Bank balances other than (iii) above	14	884.48	900.02
v. Loans	15	696.60	443.58
Other current assets	16	4,040.26	4,266.67
Assets held for sale	17	2,476.65	7,853.27
Total current assets		46,931.71	44,540.10
TOTAL ASSETS		81,625.14	100,571.12
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18(a)	1,391.22	1,391.22
Other equity			
i. Reserves and surplus	18(b)	14,256.72	15,894.46
ii. Other reserves		12,807.95	33,413.30
Total equity		28,455.89	50,698.98
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	19	6,239.24	5,633.74
ii. Other financial liabilities	20	601.38	591.00
Other non-current liabilities	21	401.49	544.16
Total non-current liabilities		7,242.11	6,768.90
Current liabilities			
Financial liabilities			
i. Borrowings	22	7,183.52	12,387.67
ii. Trade payables	23	-	-
- total outstanding dues of micro enterprises and small enterprises; and		470.41	44.96
- total outstanding dues of creditors other than micro enterprises and small enterprises		30,929.78	21,439.95
iii. Lease liabilities	3(b)(ii)	74.20	-
iv. Other financial liabilities	24	2,204.34	3,427.57
Provisions	25	1,300.87	925.59
Other current liabilities	26	1,479.28	3,559.28
Income tax liabilities (Net)	35(h)	141.24	290.16
Liabilities directly associated with assets held for sale		2,143.50	1,028.06
Total current liabilities		45,927.14	43,103.24
Total liabilities		53,169.25	49,872.14
TOTAL EQUITY AND LIABILITIES		81,625.14	100,571.12

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

In terms of our report attached

For and on behalf of the Board of Directors

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

H. A. Mafatlal
Chairman
(DIN:00009872)

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

M. P. Shah
Chief Financial Officer

A. A. Karanji
Company Secretary

Jeetendra Mirchandani
Partner
Membership No. 048125
Pune, June 27, 2020

Mumbai, June 27, 2020 Mumbai, June 27, 2020 Mumbai, June 27, 2020 Ahmedabad, June 27, 2020

Standalone Statement of Profit and Loss for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	27	100,535.45	102,368.06
Other income	28 (a)	3,250.38	2,792.35
Other gains/(losses) (Net)	28 (b)	2,426.48	297.48
Total income		106,212.31	105,457.89
Expenses			
Cost of materials consumed	29	29,157.59	32,626.10
Purchases of stock-in-trade		50,731.71	37,470.42
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(1,472.10)	3,823.14
Employee benefits expense	31	8,834.90	12,040.77
Finance costs (Net)	32	3,143.29	3,018.86
Depreciation and amortisation expense	33	1,717.98	3,595.66
Other expenses	34	13,975.69	22,528.18
Total expenses		106,089.06	115,103.13
Profit / (Loss) before exceptional items and tax		123.25	(9,645.24)
Exceptional items	34(b)	(1,459.18)	(8,361.80)
(Loss) before tax		(1,335.93)	(18,007.04)
Income tax expense			
- Current tax	35(a)	-	-
- (Short) / Excess provision of tax for earlier years		(34.87)	-
- Deferred tax charge / (credit)	35(a)	-	-
Total tax credit		(34.87)	-
(Loss) for the year		(1,370.80)	(18,007.04)
Other Comprehensive Income			
<i>Items that will not be reclassified to profit or loss</i>			
- Changes in fair value of FVOCI equity instruments	18(b)	(20,605.35)	(11,015.13)
- Remeasurements of post-employment benefit obligations (charge) / credit	40	(290.25)	(150.25)
Total Other Comprehensive Income for the year		(20,895.60)	(11,165.38)
Total comprehensive income for the year		(22,266.40)	(29,172.42)
Loss per equity share of ₹ 10/- each	45		
Basic		(9.85)	(129.43)
Diluted		(9.85)	(129.43)

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

In terms of our report attached

For and on behalf of the Board of Directors

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

H. A. Mafatlal
Chairman
(DIN:00009872)

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

M. P. Shah
Chief Financial Officer

A. A. Karanji
Company Secretary

Jeetendra Mirchandani
Partner
Membership No. 048125
Pune, June 27, 2020

Mumbai, June 27, 2020

Mumbai, June 27, 2020

Mumbai, June 27, 2020

Ahmedabad, June 27, 2020

Mafatlal Industries Limited

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Standalone Cashflow Statement for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flow from operating activities		
Net Profit/(Loss) before exceptional items and tax as per the Statement of Profit and Loss	123.25	(9,645.24)
Adjustments for:		
ESOP expense	23.31	30.94
Depreciation / amortisation on property, plant and equipment, investment property, intangible asset	1,717.98	3,595.66
Impairment losses / exceptional items	600.85	7,302.40
Finance costs	3,143.29	3,018.86
Gain on sale of property, plant and equipment / investment property	(2,288.37)	(157.03)
Interest income	(156.13)	(173.72)
Interest on income tax refund	-	(32.69)
Apportionment of government grant	(122.80)	(487.60)
Dividend income	(1,271.58)	(655.82)
Rental income on investment properties	(406.04)	(519.60)
Utility / business service / air-conditioning charges and other receipts in respect of investment property	(863.76)	(837.64)
Bad trade and other receivables/ loans and advances written off (net)	7.00	2.35
Provision for doubtful debts/ advances	117.39	224.11
Net unrealised exchange loss /(gain)	(120.44)	91.95
Operating profit before working capital changes	503.95	1,756.93
<u>Changes in working capital</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	(109.15)	5,770.51
Trade receivables	(5,929.49)	8,741.38
Current loans and advances	(253.02)	4.09
Non current loans and advances	(41.61)	155.56
Other current financial assets	(7.00)	1.12
Other non current financial assets	-	35.99
Other bank balances	15.54	744.63
Other non current assets	412.84	(18.14)
Other current assets	226.41	(581.46)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Other non current financial liabilities	10.38	68.63
Other non current liabilities	12.30	(1,526.46)
Trade and other payables	9,961.75	(5,489.97)
Other current financial liabilities (excluding current maturities of non current borrowings)	(0.05)	56.22
Current provisions	85.03	(1,331.96)
Other current liabilities	(962.46)	795.30
Changes in working capital	3,421.47	7,425.44
Cash generated from operations	3,925.42	9,182.37
Net income tax (paid) / refunds	(53.93)	(23.11)
Net Cash inflow from operating activities before exceptional items	3,871.49	9,159.26
Exceptional Items	(1,459.18)	(8,361.80)
Net Cash inflow from operating activities	2,412.31	797.46

Standalone Cashflow Statement for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
B. Cash flow from investing activities		
Purchase of property, plant and equipment including capital advances / CWIP	(128.21)	(1,085.03)
Proceeds from disposal of investment properties (Net)	2,289.33	-
Proceeds from disposal of property, plant and equipment / assets held for sale	3,464.22	510.61
Purchase of intangible assets including intangible under development	(11.00)	(67.12)
Purchase of investments	(65.00)	-
Sales Proceeds of investments	-	1,764.45
Deposits matured / (placed) with banks	104.89	657.12
Interest received	156.13	173.72
Dividend income	1,271.58	655.82
Rental Income on investment properties	406.04	519.60
Utility / business service / air-conditioning charges and other receipts in respect of investment property	863.76	837.64
Net cash inflow from investing activities	8,351.74	3,966.81
C. Cash flow from financing activities		
Non current borrowings taken	3,813.00	275.96
Interest paid	(3,155.23)	(2,995.41)
Non current borrowings repaid	(4,369.40)	(2,380.39)
Current borrowings taken / (repaid)	(5,204.14)	(558.17)
Principal element of lease payments	(172.80)	-
Net cash outflow from financing activities	(9,088.57)	(5,658.01)
Net Increase / (Decrease) in cash and cash equivalents	1,675.48	(893.74)
Cash and cash equivalents at the beginning of the year	1,019.73	1,913.47
Cash and cash equivalents at the end of the year	2,695.21	1,019.73

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

In terms of our report attached

For and on behalf of the Board of Directors

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

H. A. Mafatlal
Chairman
(DIN:00009872)

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

M. P. Shah
Chief Financial Officer

A. A. Karanji
Company Secretary

Jeetendra Mirchandani
Partner
Membership No. 048125
Pune, June 27, 2020

Mumbai, June 27, 2020 Mumbai, June 27, 2020 Mumbai, June 27, 2020 Ahmedabad, June 27, 2020

Standalone Statement of Changes in Equity as at March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Balance at the beginning of the reporting year	Changes in Equity Share Capital during the year	Balance at the end of the reporting year
As at March 31, 2019	1,391.22	-	1,391.22
As at March 31, 2020	1,391.22	-	1,391.22

B. Other equity

Particulars	Attributable to owners of Mafatal Industries Limited												Total
	Reserves and Surplus											Other Reserves	
	Securities Premium Reserve	Retained Earnings	Capital Reserve No.1	Capital Reserve No.2	Capital Reserve on Amalgamation	General Reserve	Capital Redemption Reserve	Capital Investment Reserve	Investment Reserve	ESOP Reserve	Export Profit Reserve		
As at April 1, 2018	17,452.07	3,719.29	61.16	35.00	3,634.48	620.00	8,383.14	75.96	1.78	17.93	20.00	44,428.43	78,449.24
Loss for the year	-	(18,007.04)	-	-	-	-	-	-	-	-	-	-	(18,007.04)
Charge for the year	-	-	-	-	-	-	-	-	-	30.94	-	-	30.94
Other comprehensive income	-	(150.25)	-	-	-	-	-	-	-	-	-	(11,015.13)	(11,165.38)
As at March 31, 2019	17,452.07	(14,438.00)	61.16	35.00	3,634.48	620.00	8,383.14	75.96	1.78	48.87	20.00	33,413.30	49,307.76
Loss for the year	-	(1,370.80)	-	-	-	-	-	-	-	-	-	-	(1,370.80)
Charge for the year	-	-	-	-	-	-	-	-	-	23.31	-	-	23.31
Other comprehensive income	-	(290.25)	-	-	-	-	-	-	-	-	-	(20,605.35)	(20,895.60)
As at March 31, 2020	17,452.07	(16,099.05)	61.16	35.00	3,634.48	620.00	8,383.14	75.96	1.78	72.18	20.00	12,807.95	27,064.67

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

In terms of our report attached For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP

Registration No.012754N / N500016

H. A. Mafatal
Chairman
(DIN:00009872)

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

M. P. Shah

Chief Financial Officer

A. A. Karanji

Company Secretary

Jeetendra Mirchandani
Partner
Membership No. 048125
Pune, June 27, 2020

Mumbai, June 27, 2020 Mumbai, June 27, 2020 Mumbai, June 27, 2020 Ahmedabad, June 27, 2020

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

1. Background

Mafatlal Industries Limited (the "Company") is a public limited Company incorporated under the provisions of the Companies Act, 1956. The shares are listed on the Bombay Stock Exchange. The Company belongs to the reputed industrial house of Arvind Mafatlal Group in India, established in 1905. The Company is engaged in textile manufacturing and trading, having its manufacturing units at Nadiad and Navsari.

2. Significant accounting policies

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

a. Basis of Preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair values;
- Assets held for sale - measured at fair value less cost to sell;
- Defined benefit plans - plan assets measured at fair value, and
- Share - based payments

(iii) New amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2019:

• Ind AS 116, leases

The Company has adopted Ind AS 116, Leases, effective April 1, 2019, on a modified retrospective basis, applying the standard to all leases on Balance Sheet. The adoption of Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on Balance Sheet. The standard removes the current distinction between operating and finance leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments ('lease liability') and an asset representing right to use the underlying asset during the lease term ('right-of-use asset').

- Uncertainty over Income tax treatments-Appendix C to Ind AS 12, Income Taxes
- Plan amendment, curtailment or settlement-Amendments to Ind AS 19, Employee benefits

- Amendment to Ind AS 12, Income Taxes
- Amendment to Ind AS 23, Borrowing Cost

The Company had to change the accounting policies as a result of adopting Ind AS 116. This is disclosed in note 3(b). The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

b. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM consists of Chairman, CEO and Executive Director who are responsible for allocating resources and assessing performance of the operating segments. The Company operates only in one Business Segment i.e. textile business segment, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments". Refer note 44 for segment information presented.

c. Foreign Currency Transactions

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

d. Revenue Recognition

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

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

Timing of recognition

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

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

Measurement of revenue

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

e. Income tax

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

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

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

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

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

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

f. Government grants

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

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Statement of Profit and Loss in proportion to depreciation over the expected lives of the related assets and presented within other income.

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

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

g. Leases

Till March 31, 2019:

As a lessee

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

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

As a lessor

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

With effect from April 1, 2019:

The Company has adopted Ind AS 116 using the modified retrospective approach with effect from April 1, 2019. Accordingly, the information presented for previous year ended March 31, 2019 has not been restated and continues to be reported under Ind AS 17. The Company has adopted modified retrospective approach where lease liability measured at present value of remaining lease payment discounted at the incremental borrowing rate at the date of initial application and right to use asset is equal to lease liability adjusted by the amount of any prepaid or accrued lease payments.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

h. Property, plant and equipment:

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

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for

as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

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

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

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

Depreciation methods, estimated useful lives and residual value:

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

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

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

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

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

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

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

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured under IGAAP as the deemed cost of the property, plant and equipment.

i. Intangible assets

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

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

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

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

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

On transition to Ind AS, the Company has elected to continue with the carrying value of Intangible Assets recognised as at April 1, 2016 measured under IGAAP as the deemed cost of intangible assets.

Research and development:

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

j. Investment properties:

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

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

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment property recognised as at April 1, 2016 measured under IGAAP as the deemed cost of investment property.

k. Impairment of assets:

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

l. Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (3 months or less from

the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

m. Trade receivables

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

n. Trade payables

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

o. Inventories

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

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

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

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

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

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

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

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

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

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

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

q. Investments and other financial assets

i. Classification

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

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

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

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

ii. Initial recognition and measurement:

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

iii. Subsequent measurement

After initial recognition, financial assets are measured at:

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

Debt instruments

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

Measured at amortised cost:

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

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

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

Measured at fair value through profit or loss:

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

Equity instruments:

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

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

Investments in subsidiary company, associate company and joint venture company:

Investments in subsidiary company is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of

the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies, associate company and joint venture company, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

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

Fair Value hierarchy

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

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

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

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

iv. Impairment of financial assets

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

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

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

v. Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset or,

- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

vi. Income recognition:

Interest income

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

Dividends

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

r. Financial liabilities and equity instruments

i. Classification as debt or equity

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

ii. Initial recognition and measurement

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

iii. Subsequent measurement

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

iv. Derecognition

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

s. Offsetting financial instruments

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

t. Derivative instruments

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

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

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

u. Borrowings

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

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

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

v. Borrowing costs

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

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

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

w. Provisions and contingent liabilities

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

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

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

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

x. Employee benefits

i. Short-term employee benefits

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

ii. Other Long-term employee benefits

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

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional

right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

iii. Post-employment obligations

Defined Benefits plan

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

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

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

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

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

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

Defined contribution plan

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

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

iv. Share based payments

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

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

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

y. Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing:

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

ii. Diluted earnings per share

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

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

z. Cash flow statement

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

z1. Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

z2. Exceptional Items

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

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

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

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

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

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

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

z3. Rounding of amounts

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

2.1 Critical estimates and judgements

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

The areas involving critical estimates or judgements are:

- a. Estimation of useful life of property, plant and equipment: Note 2(h)
- b. Estimation of defined benefit obligation: Note 40
- c. Estimation of fair value of level 3 financial instruments: Note 36
- d. Contingent Liabilities: Note 42

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

2.2 Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 3(a) - Property, plant and equipment

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

Particulars	Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Leasehold improvements	Railway sidings	Total
Year ended March 31, 2020									
Gross carrying amount	10.64	3,439.40	12,241.31	318.65	279.16	481.32	149.00	0.13	16,919.61
Additions	-	-	47.12	16.69	-	6.30	-	-	70.11
Transfer from Asset held for Sale (Refer Note 17)	-	-	1,440.00	2.21	-	-	-	-	1,442.21
Transfers	(0.04)	-	-	-	-	-	-	-	(0.04)
Disposals	-	(8.60)	(112.92)	(0.06)	(76.54)	(0.05)	-	-	(198.17)
Closing gross carrying amount	10.60	3,430.80	13,615.51	337.49	202.62	487.57	149.00	0.13	18,233.72
Accumulated depreciation									
Opening accumulated depreciation	-	324.64	2,861.80	92.35	110.60	229.23	90.78	-	3,709.40
Depreciation charge during the year	-	151.42	1,097.07	33.76	40.55	92.62	37.09	-	1,452.51
Transfers	-	-	-	-	-	-	-	-	-
Disposals	-	(1.73)	(51.81)	-	(29.40)	-	-	-	(82.94)
Closing accumulated depreciation	-	474.33	3,907.06	126.11	121.75	321.85	127.87	-	5,078.97
Net carrying amount	10.60	2,956.47	9,708.45	211.38	80.87	165.72	21.13	0.13	13,154.75

Notes:

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

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

- (ii) Refer to note 43 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- (iii) Building includes NIL (As at March 31, 2019: ₹ 12.86 lakhs) being the cost of ownership premises in a co-operative society, including cost of shares received for the face value of ₹ 2,500/- under the bye-laws of the society.
- (iv) Refer Note 21, Note 26 and Note 46 for government grant related to property, plant and equipment.
- (v) Net Block of NIL (As at March 31, 2019 - ₹ 13,711.69 lakhs) is transferred to assets held for sale [Refer Note 17 and 34(b)].

Note 3(b)- Right of Use Assets and Lease Liabilities

(i) Right of Use Assets

Description	Premises	Total
I. Gross Block		
Balance as at March 31, 2019	-	-
Addition on account of Transition to Ind AS 116 - April 1, 2019	239.63	239.63
Disposals/Adjustments	-	-
Balance as at March 31, 2020	239.63	239.63
II. Accumulated depreciation		
Balance as at March 31, 2019	-	-
Depreciation expense for the year	172.80	172.80
Disposals/Adjustments	-	-
Balance as at March 31, 2020	172.80	172.80
Net block (I - II)		
Balance as at March 31, 2020	66.83	66.83

(ii) Lease Liabilities

Description	As at March 31, 2020	As at March 31, 2019
Lease Liabilities		
Current	74.20	-
Total	74.20	-

Notes:-

The Company has adopted Ind AS 116 effective April 1, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (April 1, 2019). Accordingly, previous year information has not been restated. This has resulted in recognising a right-of-use asset of ₹ 239.63 lakhs and a corresponding lease liability of ₹ 239.63 lakhs. In the Statement of Profit and Loss for the current year, operating lease expenses which were recognised as other expenses in previous year is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share. The weighted average incremental borrowing rate of 14% p.a. has been applied to lease liabilities recognised in the Balance Sheet at the date of initial application. This note provides information for leases where the Company is a lessee. For leases, where the Company is a lessor, refer note 4.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 4 - Investment Properties

Particulars	As at March 31, 2020	As at March 31, 2019
Gross carrying amount	298.86	266.35
Transfer from Property, plant and equipment (Refer Note 3)	-	32.51
Transfer to Assets Held for Sale (Refer Note 17)	(16.26)	-
Disposals	(16.42)	-
Closing gross carrying amount	266.18	298.86
Accumulated depreciation		
Opening accumulated depreciation	11.64	7.76
Depreciation charge during the year	3.88	3.88
Disposals	(0.02)	-
Closing accumulated depreciation	15.50	11.64
Net carrying amount	250.68	287.22

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

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

Particulars	As at March 31, 2020	As at March 31, 2019
Income from investment property [Refer note 28 (a)]	1,269.80	1,357.24
Direct operating expenses towards income from investment property that generated income	(1,023.71)	(909.90)
Profit from investment properties before depreciation	246.09	447.34
Depreciation	(3.88)	(3.88)
Profit from investment properties	242.21	443.46

(iii) Leasing arrangements

(a) Operating leases

The Company has given certain investment properties on operating lease. These lease arrangements range for a period between eleven to sixty months and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms. With respect to non-cancellable operating lease, the future minimum lease payment as at Balance Sheet date is as under (Refer Note 43):

Particulars	As at March 31, 2020	As at March 31, 2019
Within one year	214.37	103.51
Later than one year but not later than five years	17.09	45.11
Total	231.46	148.62

(b) Finance leases

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

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

(iv) Fair value of investment properties

Particulars	As at March 31, 2020	As at March 31, 2019
Investment properties	13,104.38	12,831.73

Estimation of fair value

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

(v) The Company is in the process of getting expired lease renewed in respect of Lower Parel land.

Note 5 - Intangible assets

Particulars	As at March 31, 2020	As at March 31, 2019
Gross carrying amount	559.89	554.75
Additions	72.98	5.14
Closing gross carrying amount	632.87	559.89
Accumulated amortisation		
Opening accumulated amortisation	197.74	113.91
Amortisation during the year	88.79	83.83
Closing accumulated amortisation	286.53	197.74
Net carrying amount*	346.34	362.15

* The computer software are other than internally generated.

(i) Intangible Assets under development

Intangible assets under development includes NIL as at March 31, 2020 (March 31, 2019- ₹ 61.98 lakhs), towards development of accounting software.

Note 6 - Non-current investments

Particulars	As at March 31, 2020	As at March 31, 2019
(A) Investment in equity instruments (fully paid)		
(a) Subsidiary - Measured at cost		
<i>Unquoted</i>		
272,800 (March 31, 2019 : 272,800) Equity shares of ₹100/- each of Mafatlal Services Limited	27.50	27.50
Total (I)	27.50	27.50
(b) Other Companies measured at FVOCI		
<i>Quoted</i>		
79,920 (March 31, 2019 : 79,920) Equity shares of ₹ 10/- each of Stanrose Mafatlal Investments and Finance Limited	48.50	77.36
83,700 (March 31, 2019 : 83,700) Equity shares of ₹ 10/- each of Mangal Credit & Fincorp Limited	27.75	44.28
9,600 (March 31, 2019 : 9,600) Equity shares of ₹ 2/- each of Ultramarine and Pigments Limited	13.57	25.22
25,259,059 (March 31, 2019 : 25,259,059) Equity shares of ₹ 10/- each of NOCIL Limited \$\$	16,620.46	37,168.70
20 (March 31, 2019 : 20) Equity shares of ₹ 1/- each of Integra Engineering India Ltd	0.01	0.01
100 (March 31, 2019 : 100) Equity shares of ₹10/- each of Bank of India.	0.09	0.16
<i>Unquoted</i>		
45,000 (March 31, 2019 : 45,000) Equity shares of ₹10/- each of Cama Hotels Limited	@	@
1,600 (March 31, 2019: 1,600) Equity shares of ₹10/- each of Hybrid Financial Services Limited\$**	@	@

Mafatlal Industries Limited

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
116 (March 31, 2019 : 116) Equity shares of ₹10/- each of Anil Bioplus Limited (formerly known as Anil Biochem Limited)	@	@
1,240,000 (March 31, 2019 : 1,240,000) Equity shares of ₹10/- each of Mafatlal Global Apparel Limited	@	@
13,350 (March 31, 2019 : 13,350) Equity shares of ₹10/- each of Matcon Export Enterprises Limited	@	@
2,320 (March 31, 2019 : 2,320) Equity shares of ₹10/- each of Anil Limited (formerly known as Anil Products Limited)	@	@
100 (March 31, 2019 : 100) Equity shares of ₹10/- each of Arlabs Limited	@	@
15,000 (March 31, 2019 : 15,000) Equity shares of ₹10/- each of Cellulose Products of India Limited	@	@
10 (March 31, 2019 : 10) Equity shares of ₹ 25/- each of Universal Dyestuff Industries Limited	@	@
5,870 (March 31, 2019 : 5,870) Equity shares of ₹100/- each of SLM Maneklal Industries Limited	@	@
30,000 (March 31, 2019 : 30,000) Equity shares of ₹10/- each of Mafatlal Medical Devices Limited	@	@
62,500 (March 31, 2019 : 62,500) Equity shares of ₹100/- each of Janata Sahakari Bank Limited####	62.50	62.50
100 (March 31, 2019 : 100) Equity shares of ₹25/- each of Shamrao Vitthal Co-Operative Bank Limited####	0.03	0.03
5 (March 31, 2019 : 5) Shares of ₹ 50/- each of Sea- Face Park Co-op Housing Society Limited	@	@
Unquoted@@		
26,16,670 (March 31, 2019 : 26,16,670) Equity shares of ₹10/- each of Ibiza Industries Limited***	@	@
39,76,002 (March 31, 2019 : 39,76,002) Equity shares of ₹10/- each of Sunanda Industries Limited*	@	@
146,364 (March 31, 2019 : 146,364) Equity shares of ₹100/- each of Mafatlal Engineering Industries Ltd. ###	@	@
147 (March 31, 2019 : 147) Equity shares of AED 1,000/- each of Al Fahim Mafatlal Textiles LLC	-	-
23,700 (March 31, 2019 : 23,700) Equity shares of ₹ 10/-each of Mafatlal Ltd, UK.##	@	@
(B) Investments in Government securities		
Unquoted - At amortised cost		
Government securities (Face value of ₹ 2.89 lakhs) have been lodged with various authorities	2.89	2.89
(C) Investment in debentures and bonds		
Unquoted - At amortised cost		
165,000 (March 31, 2019 : 165,000) 10% Secured Redeemable Convertible Debentures of Mafatlal Engineering Industries Ltd ##	@	@
2,050 (March 31, 2019 : 2,050) Corporate Bonds of Housing Development Finance Corporation Limited:11 % - Series IV #	-	-
Total (II)	16,775.80	37,381.15
Total (I)+(II)	16,803.30	37,408.65

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

\$\$ 66,71,062 (Previous year 90,21,062) Equity Shares pledged with banks. Refer Note 47 for Assets pledged.

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

** Not available for physical verification

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

1,050 nos. - Not available for physical verification.

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

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

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

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

@@ Under liquidation.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020
(All amounts in ₹ Lakhs, unless otherwise stated)
Note 7 - Current investments

Particulars	As at March 31, 2020	As at March 31, 2019
21,156.891 Units (March 31, 2019:- NIL) of Aditya Birla Sunlife Liquid Fund - Instalment Premium-Growth	65.00	-
Total	65.00	-
Total Investments		
Aggregate amount of quoted investments and market value thereof	16,775.38	37,315.73
Aggregate amount of unquoted investments	92.92	92.92
Aggregate amount of impairment in the value of investments	-	-
Total	16,868.30	37,408.65

Note 8 - Non-current loans

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Unsecured, Considered good</i>		
Security deposits	480.63	471.19
Others	0.55	0.55
Total	481.18	471.74

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

Note 9 - Other non-current financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Deposits with banks (with maturity period of more than 12 months)		
(i) Deposits with Banks	72.42	63.32
(ii) Balances held as security/margin money*	421.85	225.32
(iii) Balances with Banks in earmarked accounts**	72.47	382.99
Total	566.74	671.63

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

**Balance of ₹ 72.47 lakhs (March 31, 2019- NIL) is with a financial institution.

Note 10 - Other non-current assets

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Unsecured, Considered good</i>		
Capital advances	18.03	9.22
Deposits with government authorities	69.67	398.61
Lease rent/utilities equalisation of income	6.49	90.39
<i>Unsecured, considered doubtful</i>		
Balances with government authorities	0.79	31.45
Less: Provision for doubtful advance	(0.79)	(31.45)
Total	94.19	498.22

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 11 - Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials	248.27	1,126.65
Work-in-progress	3,572.58	3,953.85
Finished goods	4,732.14	3,406.60
Stock-in-trade [Includes goods in transit - NIL (March 31, 2019: ₹ 256.46 lakhs)]	1,328.13	1,383.07
Stores and spares	723.99	564.40
Others (Land) [Refer Note 49 (ii)]	0.58	61.97
Total	10,605.69	10,496.54

Amounts recognised in the Statement of Profit and Loss:

Write-downs of inventories to net realisable value amounted to ₹ 778.07 lakhs (March 31, 2019 – ₹ 2,195.74 lakhs), out of which ₹ 582.77 lakhs transfer to exceptional items (March 31, 2019 - ₹ 1,768.90 lakhs) which is disclosed in note 34(b). Remaining amounts were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in Statement of Profit and Loss.

Note 12 - Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	25,991.93	20,327.69
Receivables from related parties (Refer Note 41)	0.66	4.02
Less: Allowance for doubtful debts (Refer Note 38)	(524.77)	(382.80)
Less : Allowance for doubtful debts [Refer Note 34 (b)]	-	(388.62)
Total receivables	25,467.82	19,560.29
<i>Unsecured, considered good</i>	25,467.82	19,560.29
Doubtful	524.77	771.42
Less: Allowance for doubtful debts	(524.77)	(771.42)
Total Trade Receivables	25,467.82	19,560.29

Break up of security details

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables considered good- Secured	-	-
Trade receivables considered good- Unsecured	25,992.59	20,331.71
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Total	25,992.59	20,331.71
Loss allowance	(524.77)	(771.42)
Total trade receivables	25,467.82	19,560.29

Transferred receivables:

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

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

The relevant carrying amounts are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Total transferred receivables	138.45	372.48
Associated secured borrowings (Refer Note 22)	(138.45)	(372.48)
Total	-	-

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

Note 13 - Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	12.12	14.45
Balances with banks:		
(i) In Current accounts	2,580.63	955.28
(ii) In Deposit accounts (with less than 3 months original maturity)	102.46	50.00
Total	2,695.21	1,019.73

Note 14 - Other bank balances

Particulars	As at March 31, 2020	As at March 31, 2019
Deposits with original maturity of more than 3 months but less than 12 months		
In earmarked accounts		
(i) Balances held as margin money or security against borrowings, guarantees and other commitments	720.29	673.97
(ii) Unclaimed dividend accounts	35.24	35.29
Others		
(i) Balance in Fixed Deposits	127.08	163.30
(ii) Balances in Escrow Current accounts (Refer Note below)	1.87	27.46
Total	884.48	900.02

Note:

Balance in Escrow Current account of ₹ 1.87 lakhs (March 31, 2019 ₹ 1.87 lakhs) is operated under the supervision of Monitoring Committee constituted by the Government of Maharashtra, under Development Control Regulations, 1991. Balance of NIL (March 31, 2019 - ₹ 25.59 lakhs) is with a financial institution.

Note 15 - Current loans

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Unsecured, considered good</i>		
Loans to employees	6.08	4.16
Security deposits	607.80	324.54
Government Grant Receivable	82.72	114.88
Total	696.60	443.58

Note 16 - Other current assets

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Unsecured, considered good</i>		
Prepaid expenses	273.39	259.76
Balances with government authorities		
(i) Export and Modvat Benefit receivable	478.19	593.84
(ii) Goods and service tax receivables	2,250.52	2,339.56
(iii) Interest subsidy receivable (TUFS)	87.66	191.00
Advance to Suppliers	927.15	802.49
Others	23.35	80.02
Total	4,040.26	4,266.67

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 17 - Assets held for sale

Particulars	As at March 31, 2020	As at March 31, 2019
Assets classified as held for sale		
- Plant and Machinery (Refer Note below)	2,457.21	7,850.09
- Land (includes land transferred from Assets held for sale - Refer Note 4)	19.44	3.18
Total	2,476.65	7,853.27

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

Note 18 - Share capital and other equity

18(a) - Equity share capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount (₹ in Lakhs)	Number of shares	Amount (₹ in Lakhs)
(i) Authorised				
Equity shares of ₹10/- each with voting rights	14,245,081	1,424.51	14,245,081	1,424.51
Unclassified Shares of ₹10 each	85,754,919	8,575.49	85,754,919	8,575.49
	100,000,000	10,000.00	100,000,000	10,000.00
(ii) Issued				
Equity shares of ₹10/- each with voting rights	13,912,886	1,391.28	13,912,886	1,391.28
(iii) Subscribed and fully paid up				
Equity shares of ₹10/- each with voting rights	13,912,886	1,391.28	13,912,886	1,391.28
Less: Allotment money/ Calls in arrears	-	(0.06)	-	(0.06)
Total	13,912,886	1,391.22	13,912,886	1,391.22

(1) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Number of shares	Share capital (₹ in Lakhs) (Par value)
Balance as at April 1, 2018	13,912,886	1,391.22
Issued during the year	-	-
Balance as at March 31, 2019	13,912,886	1,391.22
Issued during the year	-	-
Balance as at March 31, 2020	13,912,886	1,391.22

(2) Terms & rights attached to Equity shares:

The Company has issued only one class of equity shares having a par value of ₹ 10/- per share. Every holder of equity shares is entitled to one vote per share held. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding.

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% Holding	Number of shares	% Holding
H. A. Mafatlal	2,673,046	19.21%	3,176,150	22.83%
NOCIL Limited	1,954,695	14.05%	1,954,695	14.05%
Suremi Trading Private Limited	-	-	3,093,047	22.23%
Sumil Holdings Private Limited*	3,118,326	22.41%	-	-
Rekha H. Mafatlal	1,307,387	9.40%	804,283	5.78%

*Holding as at March 31, 2019 was less than 5%.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

(4) *Aggregate number of shares issued for consideration other than cash:*

- (i) During the year 2013-14, 4,099,415 Equity shares of ₹ 10/- each fully paid-up have been issued to shareholders of erstwhile Mafatalal Denim Limited, as consideration on merger with the Company.
- (ii) Shares reserved for issue under options

Information relating to Mafatalal Industries Limited Employee Option Plan, including details of options issued, granted, vested, and exercised during the financial year and options outstanding at the end of the reporting period, is set out in Note 37.

(5) *Calls unpaid (by other than officers and directors)*

Particulars	As at March 31, 2020	As at March 31, 2019
Calls Unpaid	0.06	0.06

- (6) During 1987-88, 535,000 shares (of ₹ 100/- each) were allotted on rights basis subject to the result of suit nos. 3181 and 3182 of 1987 filed by three shareholders against the Company and Others in the Ahmedabad City Civil Court. The suits are pending disposal.

18(b) - Reserves and surplus

Particulars	As at March 31, 2020	As at March 31, 2019
Securities premium	17,452.07	17,452.07
Retained earnings	(16,099.05)	(14,438.00)
General Reserve	620.00	620.00
Capital reserve No.1	61.16	61.16
Capital reserve No. 2	35.00	35.00
Capital Reserve on Amalgamation	3,634.48	3,634.48
Capital redemption reserve	8,383.14	8,383.14
Capital Investment Reserve	75.96	75.96
Investment Reserve	1.78	1.78
ESOP Reserve	72.18	48.87
Export Profit Reserve	20.00	20.00
Other reserves:		
FVOCI - Equity instruments	12,807.95	33,413.30
Total	27,064.67	49,307.76

(i) *Securities Premium*

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

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	17,452.07	17,452.07
Add:- Movement during the year	-	-
Balance at the end of the year	17,452.07	17,452.07

(ii) *Retained earnings*

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	(14,438.00)	3,719.29
Less : Loss for the year	(1,370.80)	(18,007.04)
Other comprehensive income	(290.25)	(150.25)
Balance at the end of the year	(16,099.05)	(14,438.00)

(iii) *General Reserve*

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	620.00	620.00
Add:- Movement during the year	-	-
Balance at the end of the year	620.00	620.00

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

(iv) *Capital reserve No. 1*

Capital reserve is to be utilised in accordance with provision of the Act.

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	61.16	61.16
Add:- Movement during the year	-	-
Balance at the end of the year	61.16	61.16

(v) *Capital reserve No. 2*

The reserve has arisen out of State Government subsidy received by the Company and is separately maintained as per the provisions of the Act.

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	35.00	35.00
Add:- Movement during the year	-	-
Balance at the end of the year	35.00	35.00

(vi) *Capital Reserve on Amalgamation*

The said reserve has arisen out of amalgamation with 'Mafatlal Denim Limited'

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	3,634.48	3,634.48
Add:- Movement during the year	-	-
Balance at the end of the year	3,634.48	3,634.48

(vii) *Capital redemption reserve*

It represents reserve created during buy back of equity shares, preference shares and it is a non-distributable reserve.

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	8,383.14	8,383.14
Add:- Movement during the year	-	-
Balance at the end of the year	8,383.14	8,383.14

(viii) *Capital Investment Reserve*

The said reserve has arisen out of excess of non taxable sales proceeds over the book values

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	75.96	75.96
Add:- Movement during the year	-	-
Balance at the end of the year	75.96	75.96

(ix) *Investment Reserve*

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

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	1.78	1.78
Add:- Movement during the year	-	-
Balance at the end of the year	1.78	1.78

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

(x) ESOP Reserve

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

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	48.87	17.93
Add:- Movement during the year	23.31	30.94
Balance at the end of the year	72.18	48.87

(xi) Export Profit Reserve

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

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	20.00	20.00
Add:- Movement during the year	-	-
Balance at the end of the year	20.00	20.00

(xii) FVOCI - Equity instruments

The Company fair values certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve.

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	33,413.30	44,428.43
Add:- Change in fair value of FVOCI equity instruments	(20,605.35)	(11,015.13)
Balance at the end of the year	12,807.95	33,413.30

Note 19 - Non- current borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
Term Loans		
(a) From banks [Refer Note no.(i), (ii), (iii) and (iv) below]	1,745.47	4,419.80
(b) For vehicle loans [Refer Note no.(v) below]	13.14	40.55
(c) From financial institutions [Refer Note no.(vi),(vii) and (viii) below]	4,480.63	1,173.39
Total	6,239.24	5,633.74

(i) Term loan from a Bank, amounting to NIL (March 31, 2019 ₹ 2,638.89 lakhs) is secured by mortgage of a portion of land near Navsari Plant and exclusive first charge on Fixed Assets acquired out of the said loan from Bank at Navsari Plant.	Repayable in 20 quarterly installments beginning from June 2017, till March 2022 after a moratorium period of 15 months. The loan carry interest linked to the lenders' MCLR. The rate of interest for the year was @ 16.65% p.a. (March 31, 2019 12.05% to 16.65% p.a.).
(ii) Term loan from a Bank, amounting to ₹ 747.14 lakhs (March 31, 2019 ₹ 1,202.06 lakhs) is secured by mortgage of an immovable asset (building) measuring 343.28 sq. mtrs. of Mafatlal Chambers at Mumbai and exclusive first charge on Fixed Assets acquired out of the said loan from Bank at Navsari Plant and pledge over 5,10,000 shares of NOCIL Limited.	Repayable in 60 installments beginning from September 2016 till November 2021 after a moratorium period of 24 months. The rate of interest for the year was @ 12.65 % p.a. (March 31, 2019 12.50% to 12.65% p.a.).
(iii) Term loan from a Bank, amounting to ₹ 863.44 lakhs (March 31, 2019 ₹ 1,348.26 lakhs) is secured by mortgage of an immovable asset (land and building) at Nadiad and exclusive first charge on Fixed Assets acquired out of the said loan from Bank at Nadiad Plant and second charge on certain stock and book debts of the Company.	The rate of interest for the year was @ 13.25% p.a. (March 31, 2019 12.50% to 13.25 % p.a.). Repayable in 60 installments beginning from December 2016 till March 2022.
(iv) Term loan from a Bank, amounting to ₹ 1,126.04 lakhs (March 31, 2019 ₹ 1,279.72 lakhs) is secured by mortgage of an immovable asset (land and building) measuring 724.64 sq. mtrs.of Mafatlal House at Mumbai.	Repayable in 108 installments beginning from July 2016 till May 2025. The rate of interest for the year was 10.65 % p.a. (March 31, 2019 10.20% p.a.).

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

(v) Loans from a Bank, amounting to ₹ 25.97 lakhs (March 31, 2019 ₹ 77.17 lakhs) for Vehicles is secured by hypothecation of respective vehicles.	Repayable in monthly installments and the rate of interest for the year was in the range of 8.40% to 10.00% p.a. (Previous year 10.50% to 11.00% p.a.).
(vi) Term loan from a financial institution, amounting to ₹ 537.01 lakhs (March 31, 2019 ₹ 837.01 lakhs) is secured by mortgage of an immovable asset (land and building) at Nadiad and exclusive first charge on Fixed Assets acquired out of the said loan from Financial institution at Nadiad Plant.	Repayable in 20 quarterly installments beginning from June 2017 till March 2022 after a moratorium period of 12 months. The rate of interest for the year was in the range of 11.60 % to 11.80 % p.a.(March 31, 2019 11.30% to 11.80% p.a.).
(vii) Term loan from a financial institution, amounting to ₹ 991.50 lakhs (March 31, 2019 - ₹ 926.38 lakhs) is secured by charge on movable fixed assets acquired out of said loan, charge by way of mortgage over immovable assets (land & building) measuring 253.81 sq. mtrs. of Mafatlal House at Mumbai, pledge over 491,062 shares of NOCIL Limited, and pledge by promoters / promoter companies of certain shareholding in the Company and a lien on term deposit. (Also Refer Note 9)	Repayable in 20 quarterly installments beginning from June 2019 till March 2024 after a moratorium period of 18 months. The rate of interest for the year was in the range of 11.40 % to 11.60 % p.a.(March 31, 2019 11.30% to 11.60% p.a.).
(viii) Term loan from a Non-Banking Financial Institution, amounting to ₹ 3,500.00 lakhs (March 31, 2019 - NIL) is secured exclusive by mortgage of an immovable asset (land and building) measuring 2,225.03 sq. mtrs. of Mafatlal House at Mumbai.	Repayable in part / full till June 2021. The rate of interest for the year was 14.00% p.a.

The amounts mentioned include installments falling due within a year aggregating to ₹ 1,551.86 lakhs (March 31, 2019: ₹ 2,675.75 lakhs) have been grouped under "Current maturities of long-term debt" [Refer Note 24].

* Rate of Interest is without considering interest subsidy as per Central and State Government TUF Schemes.

For Liquidity risk information, Refer Note 38.

Note 20 - Other non-current financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Trade / Security deposits	317.56	307.18
Interest accrued on others [Refer Note 49 (i)]	283.82	283.82
Total	601.38	591.00

Note 21 - Other non-current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Income on Government Grant (Refer Note 46)	401.49	544.16
Total	401.49	544.16

Note 22 - Current borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
Loans repayable on demand		
From Banks		
Cash credit*	7,045.07	10,065.19
Factored receivables (Refer Note 12)	138.45	372.48
From Financial Institution		
Working capital loan	-	1,950.00
Total	7,183.52	12,387.67

* 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 56,70,000 equity shares of NOCIL held by the Company. The cash credit is repayable on demand and carry an interest @ 12.65% to 14.50% p.a. (Previous year 10.15% to 14.00% p.a.).

Refer Note 47 for Assets pledged as security.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 23 - Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises; and	470.41	44.96
Total outstanding dues of creditors other than micro enterprises and small enterprises	30,928.10	21,438.37
Trade Payables to related parties (Refer Note 41)	1.68	1.58
Total	31,400.19	21,484.91

Note: For Liquidity risk information, Refer Note 38.

Dues to Micro and Small Enterprises:-

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	360.70	8.79
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	109.71	36.17
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1,444.48	698.81
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	73.54	24.22
Further interest remaining due and payable for earlier years	36.17	11.95

Note 24 - Other current financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term debt (Refer Note 19)		
(i) From banks	991.15	2,049.13
(ii) For vehicle loans	12.83	36.62
(iii) From financial institutions	547.88	590.00
Other advances [Refer Note 49(i)]	577.89	577.89
Interest accrued but not due on borrowings	39.35	89.31
Unclaimed dividends*	35.24	35.29
Trade payables for capital assets	-	49.33
Total	2,204.34	3,427.57

*There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 25 - Current provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits:		
(i) Provision for Compensated absences (Refer Note 40)	591.43	582.61
(ii) Provision for Gratuity (Refer Note 40)	708.93	342.47
Other Provisions		
(a) Provision for Fringe Benefit Tax [net of advance tax ₹ 39.05 lakhs (As at March 31, 2019 ₹ 39.05 lakhs)]	0.40	0.40
(b) Provision for Wealth Tax (net)	0.11	0.11
Total	1,300.87	925.59

Note 26 - Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Payment towards Statutory liabilities	153.03	568.96
Contractual liabilities	392.64	526.48
Employee Benefits Payable	578.50	2,055.68
Lease rent / utilities equalisation on expense	-	109.38
Deferred Income on Government Grant (Refer Note 46)	130.18	142.48
Others	224.93	156.30
Total	1,479.28	3,559.28

Note 27 - Revenue from operations

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of products	99,780.50	101,706.63
Other operating revenues		
Income from waste / scrap sale	495.74	331.94
Processing income	7.68	-
Duty drawback and other export incentives	251.53	329.49
Total revenue from operations	100,535.45	102,368.06

Note 28(a) - Other income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income on Financial Assets At Amortised Cost	156.13	173.72
Interest Income on Income Tax refund	9.59	32.69
Rental income from investment property	406.04	519.60
Utility / business service / air-conditioning charges and other receipts in respect of investment property	863.76	837.64
Dividend income from equity investments designated at fair value through other comprehensive income *	1,271.58	655.82
Apportioned Income from Government Grant #	122.80	487.60
Miscellaneous income	420.48	85.28
Total	3,250.38	2,792.35

* All dividends from equity investments which are designated at FVOCI relate to the investments held at the end of the reporting period.

Government grants have been received for investment in certain items of property, plant and equipment. There are no unfulfilled conditions or other contingencies attaching to these grants as at March 31, 2020 (Refer Note 46).

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net gain on disposal of Property Plant and Equipment (Refer Note 3)	2,288.37	157.03
Net foreign exchange differences	138.11	140.45
Total	2,426.48	297.48

Note 29 - Cost of materials consumed

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Raw materials consumed	29,157.59	33,112.92
Less : Transfer to exceptional items [Refer Note 34(b)]	-	(486.82)
Total	29,157.59	32,626.10

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Inventories at the end of the year		
Finished goods	4,732.14	3,406.60
Work-in-progress	3,572.58	3,953.85
Stock-in-trade (Traded goods)	1,328.13	1,383.07
Inventories at the beginning of the year		
Finished goods	3,406.60	5,020.68
Work-in-progress	3,953.85	6,339.20
Stock-in-trade (Traded goods)	1,383.07	2,128.47
	(889.33)	4,744.83
Less : Transfer to exceptional items [Refer Note 34 (b)]	(582.77)	(921.69)
Total	(1,472.10)	3,823.14

Note 31 - Employee benefits expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	7,963.61	10,820.27
Contributions to provident and other funds	462.47	620.87
Gratuity expenses (Refer Note 40)	150.97	186.15
Staff welfare expenses	234.54	382.54
Employee share-based payment expense (Refer Note 37)	23.31	30.94
Total	8,834.90	12,040.77

Note 32 - Finance costs (Net)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense on :-		
Borrowings [Refer Note (a) and (b) below]	2,567.42	2,533.47
Trade payables	364.20	295.90
Lease Liabilities	21.03	-
Others	190.64	189.49
Total	3,143.29	3,018.86

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Note (a):

The interest subsidy for the year on the Term Loans availed under the Technology Upgradation Fund Scheme (TUFS) is ₹20.53 lakhs (March 31, 2019 ₹ 89.03 lakhs) and the same has been netted off from interest expense.

Note (b):

Finance costs are net of interest of NIL (March 31, 2019 ₹ 97.76 lakhs) capitalised in fixed assets.

Note 33 - Depreciation and amortisation expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on property, plant and equipment and Right to use assets (Refer Note 3(a) and 3 (b))	1,625.31	3,507.95
Amortisation on intangible assets (Refer Note 5)	88.79	83.83
Depreciation on investment property (Refer Note 4)	3.88	3.88
Total	1,717.98	3,595.66

Note 34 - Other expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of stores and spare parts	4,100.03	6,822.35
Processing charges	1,284.55	2,048.77
Power and fuel	4,483.44	7,723.95
Repairs and maintenance - Buildings	72.68	71.54
Repairs and maintenance - Machinery	125.85	199.72
Repairs and maintenance - Others	46.81	78.71
Insurance	122.36	122.16
Lease rent [Refer Note 43(b)]	44.60	306.92
Rates and taxes	157.56	142.54
Transport and freight charges (net)	464.40	724.98
Donations and Charities	0.23	1.21
Bad trade and other receivables / loans and advances written off (net)	7.00	2.35
Provision for doubtful trade receivables and loans & advances (net)	117.39	224.11
Legal and professional fees	428.97	867.34
Payments to auditors [Refer Note 34(a)]	54.78	53.17
Directors' fees [Refer Note 41]	53.20	58.10
Miscellaneous expenses	2,411.84	3,080.26
Total	13,975.69	22,528.18

Note 34 (a) - Details of payment to auditors

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Payment to the auditors		
As auditor:-		
Statutory Audit fees	35.00	35.00
Limited review	15.00	15.00
Certification services	3.50	2.00
Re-imbursement of expenses	1.28	1.17
Total	54.78	53.17

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 34 (b) - Exceptional items

Consequent to strategic initiatives undertaken by the Company to substantially scale down Navsari operations comprising of denim so as to improve its financial position, the Company had written-down / recognised provisions pertaining to carrying value of Property, Plant and Equipment (classified as held for sale), one-time employees liabilities and certain current / non-current assets of denim operations aggregating to ₹ 8,361.80 lakhs and disclosed the same as exceptional items for the year ended March 31, 2019.

In continuation of the same, in the year ended March 31, 2020, the Company has sold certain assets held for sale and inventories at Navsari. Manufacturing operations at Navsari comprising of denim has been closed. However, activities such as stock liquidation, collection of receivables and routine maintenance of plant are being carried on.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Property, Plant and Equipment [Net of All Associated cost]* (Refer Note 3)	600.85	3,925.43
Write-down of current assets / non-current assets [Includes inventories, select receivables and other assets (Refer Note 11 and 12)]	122.09	2,608.92
One-time employee liabilities	736.24	1,827.45
Total	1,459.18	8,361.80

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

Consequent to the above-mentioned initiatives undertaken by the Management, financial position for the year ended March 31, 2020 are not comparable with the previous year.

Note 35 - Taxation

35(a) - Income tax expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	34.944%	34.944%
Current tax on (Loss) / Profits for the year	-	-
Total current tax expense	-	-
Deferred tax		
(Decrease)/increase in deferred tax assets	-	-
Decrease/(increase) in deferred tax liabilities	-	-
Total deferred tax expense/(credit)	-	-
Income tax expense	-	-

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Loss for the year	(1,335.93)	(18,007.04)
Statutory income tax rate applicable to Mafatlal Industries Limited	34.944%	34.944%
Tax expense at applicable tax rate	(466.83)	(6,292.38)
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income		
Expenses not deductible for tax purposes	(66.41)	(2,943.03)
Weighted Deduction allowed	18.75	18.07
Exempt Income	444.34	229.17
Tax losses for which no deferred tax recognised	(873.25)	(3,535.28)
Others	9.74	(61.31)
Income tax expense as per the Statement of Profit and Loss	-	-

35(c)- No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognised in Equity and not in Statement of Profit and Loss or Other comprehensive income.

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(All amounts in ₹ Lakhs, unless otherwise stated)

35(d) - Deferred tax assets

The balance comprises temporary differences attributable to:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Provision for doubtful debts / advances (net)	183.38	-
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	1,266.62	-
Unabsorbed depreciation	2,199.88	3,828.66
Total deferred tax assets	3,649.88	3,828.66
Deferred tax liability		
On difference between book balance and tax balance of fixed assets	(2,421.92)	(2,600.70)
Total deferred tax assets	1,227.96	1,227.96

Movement in deferred tax (assets)/liabilities

Particulars	As at March 31, 2018	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	Year ended March 31, 2019
Provision for doubtful debts / advances (net)	73.91	(73.91)	-	-
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	421.61	(421.61)	-	-
Unabsorbed depreciation	4,848.56	(1,019.90)	-	3,828.66
Deferred Tax Asset Calculated on Indexed Cost of Acquisition of Immovable Property	2.61	(2.61)	-	-
On difference between book balance and tax balance of fixed assets	(4,124.36)	1,523.66	-	(2,600.70)
Others	5.63	(5.63)	-	-
Total deferred tax assets	1,227.96	-	-	1,227.96

Particulars	Year ended March 31, 2019	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	Year ended March 31, 2020
Provision for doubtful debts / advances (net)	-	183.38	-	183.38
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	-	1,266.62	-	1,266.62
Unabsorbed depreciation	3,828.66	(1,628.78)	-	2,199.88
On difference between book balance and tax balance of fixed assets	(2,600.70)	178.78	-	(2,421.92)
Total deferred tax assets	1,227.96	-	-	1,227.96

The Company has recognised the Deferred Tax Asset on unabsorbed depreciation of earlier years, provision for doubtful debts and disallowances under Section 35DDA, 40(a)(i) and 43B of the Income Tax Act, 1961. The Company has concluded that the deferred tax assets will be recoverable partially compensated by decrease in deferred tax liabilities and excess will be recovered using estimated future taxable income. Further, unabsorbed depreciation can be carried forward for infinite period as per tax regulations.

35(e) - Tax losses

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Short Term Capital Loss	455.93	455.93
Potential tax benefit @ 34.944% (a)	159.32	159.32
Long Term Capital Loss	1,777.44	2,076.15
Potential tax benefit @ 23.30% (b)	414.14	483.74
Unabsorbed brought forward depreciation / business losses	27,020.84	19,860.74
Potential tax benefit @ 34.944% (c)	9,442.16	6,940.14
Minimum Alternate Tax (d)	2,702.53	2,702.53
Total Potential tax benefit [(a)+(b)+(c)+(d)]	12,718.15	10,285.73

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

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020
(All amounts in ₹ Lakhs, unless otherwise stated)
35(f) - Unrecognised temporary differences

The Company has not recognised deferred tax asset/(liability) associated with fair value gains on Equity instruments measured at FVOCI as based on the management projection of future taxable income and existing plan as it is not probable that such difference will reverse in the foreseeable future.

35(g)-Income Tax asset (Net)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Income Tax asset [Net of Provision of Tax ₹ 12,160.69 lakhs, (March 31, 2019: ₹ 12,638.33 lakhs)]	1,701.46	1,831.26

35(h)-Current Tax Liabilities (Net)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax liabilities [Net of Advance Tax ₹ 801.77 lakhs, (March 31, 2019: ₹ 1,051.79 lakhs)]	141.24	290.16

Note 36 - Fair value measurements
Financial instruments by category

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments in Equity instruments other than subsidiary	-	16,710.38	65.42	-	37,315.73	65.42
Investments in Mutual Funds	-	65.00	-	-	-	-
Cash and bank balances	-	-	3,579.69	-	-	1,919.75
Loans	-	-	89.35	-	-	119.59
Security deposits	-	-	1,088.43	-	-	795.73
Bank deposits with more than 12 months maturity	-	-	566.74	-	-	671.63
Trade receivables	-	-	25,467.82	-	-	19,560.29
Total financial assets	-	16,775.38	30,857.45	-	37,315.73	23,132.41
Financial liabilities						
Borrowings	-	-	14,974.62	-	-	20,697.16
Trade / Security deposits received	-	-	317.56	-	-	307.18
Trade payables	-	-	31,400.19	-	-	21,484.91
Trade payables for capital assets	-	-	-	-	-	49.33
Interest accrued but not due on borrowings	-	-	39.35	-	-	89.31
Interest accrued on others	-	-	283.82	-	-	283.82
Other advances	-	-	577.89	-	-	577.89
Unclaimed dividends	-	-	35.24	-	-	35.29
Lease liabilities	-	-	74.20	-	-	-
Total financial liabilities	-	-	47,702.87	-	-	43,524.89

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

	Level 1	Level 2	Total
As at March 31, 2020			
Quoted Equity investments measured at Fair value	16,775.38	-	16,775.38
As at March 31, 2019			
Quoted Equity investments measured at Fair value	37,315.73	-	37,315.73

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

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

	As at March 31, 2020		As at March 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Investments in Government securities	2.89	2.89	2.89	2.89
Investments in Unquoted Shares	62.53	62.53	62.53	62.53
Loans	0.55	0.55	0.55	0.55
Security deposits	480.63	480.63	471.19	471.19
Bank deposits with more than 12 months maturity	566.74	566.74	671.63	671.63
Liabilities				
Borrowings	6,239.24	6,239.24	5,633.74	5,633.74
Trade / Security deposits received	317.56	317.56	307.18	307.18
Other financial liabilities	283.82	283.82	283.82	283.82

The carrying amounts of cash and bank balances, trade receivables, short term loans and security deposits given, government grant receivable, trade payables, payable for capital assets, short term borrowings and other current financial assets and liabilities are considered to be the same as their fair values due to their short-term nature. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair value.

Financial Assets and Financial Liabilities measured at fair values - Level 3	As at March 31, 2020	As at March 31, 2019
Assets		
Investments in Unquoted Shares - FVPL	-	-
Investments in Unquoted Shares - FVOCI	-	-

(i) Fair value hierarchy

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

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

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

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

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the other unquoted equity investments is determined based on the report of the valuer
- the fair value of forward foreign exchange contracts is determined using foreign exchange rates at the Balance Sheet date.

(iii) Valuation processes

The finance department of the Company obtains assistance of independent and competent third party valuers to perform the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This expert reports to the financial risk management team and Chief Financial Officer (CFO). Discussion of valuation processes and results are held between the CFO and the valuation team at least once every three months, in line with the Company's quarterly reporting periods.

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

- Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk grading determined by the Company's internal credit risk management committee.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the financial risk management team, CFO and the valuation experts. As part of this discussion the team presents a report that explains the reason for the fair value movements.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 37 - Share Based Payments

(a) Employee option plan

The Mafatlal Employee Stock Option Scheme 2017 (ESOS 2017) of Mafatlal Industries Limited was approved by the Board of Directors of The Company at their meeting held on May 5, 2017 and finalised on August 10, 2017. At the Annual General Meeting held on August 02, 2017, the shareholders had approved the creation of employee stock option pool of 6,95,000 equity shares of face value of ₹ 10/- each fully paid up on such terms and such manner as the Board may decide in accordance with the provisions of applicable law and proposed Mafatlal Employee Stock Option Scheme 2017 (ESOS 2017). The Company intends to implement ESOS 2017 with a view to attract and retain key talents working with the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The Nomination & Remuneration Committee (NRC) will administer the ESOS 2017. On November 10, 2017 the NRC has granted 138,000 options with a progressive vesting to certain senior management employees and the vesting of options will be @15% on 1st Anniversary, 20% on 2nd Anniversary, 30% on 3rd Anniversary, 35% on 4th Anniversary, of grant date. Once vested the options remain exercisable for a period of four years.

In addition to the above, the Nomination & Remuneration Committee has at their meeting held on August 1, 2019 approved the grant of 318,000 employee stock options to certain management cadre employees of the Company under ESOS. The options will be vested after completion of one year from the date of grant i.e. August 1, 2020. Vested options are exercisable for a period of four years after vesting.

Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one equity share. The exercise price of the options is fair market price of the share as on date of grant of options.

Set out below is a summary of options granted under the plan

Particulars	As at March 31, 2020		As at March 31, 2019	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening Balance	-	72,000	-	128,000
Granted during the year	78.65	318,000	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	322.70	56,000
Closing Balance		390,000		72,000
Vested and exercised	-	-	-	-

No options expired during the periods covered in the above tables.

Share options outstanding at the end of the year have the following expiry date and exercise prices

Grant Date	Vesting Date	Expiry Date	Exercise price (INR)	Share options March 31, 2020	Fair value of options (INR)
10-Nov-17	10-Nov-18	10-Nov-22	322.70	10,800	108.92
10-Nov-17	10-Nov-19	10-Nov-23	322.70	14,400	126.71
10-Nov-17	10-Nov-20	10-Nov-24	322.70	21,600	146.18
10-Nov-17	10-Nov-21	10-Nov-25	322.70	25,200	156.18
1-Aug-19	1-Aug-20	1-Aug-24	78.65	318,000	25.08
Total				390,000	

(i) Fair Value of options granted

The weighted average fair value at grant date (November 10, 2017) of options granted during the year ended March 31, 2020 was ₹ 140.20 per option (March 31, 2019 - ₹ 140.20) and for the additional options, the weighted average fair value at grant date (August 1, 2019) of options granted during the year ended March 31, 2020 was ₹ 25.08 per option (March 31, 2019 - NIL). The fair value at grant date is determined using the Black and Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of option.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

The model inputs for existing options during the year ended March 31, 2020 included:-

- (a) options are granted for no consideration and vest upon completions of service for a period of 1-4 years. Vested options are exercisable for a period of four years after vesting.
- (b) exercise price: ₹ 322.70
- (c) grant date: November 10, 2017
- (d) expiry date: November 10, 2022 - November 10, 2025
- (e) share price at grant date: ₹ 314.10
- (f) expected price volatility of The Company's shares: 48.32% - 51.99%
- (g) expected dividend yield: 1.69%
- (h) risk free interest rate: 6.51% - 6.91%

The expected price volatility is based on the historic volatility (based on the remaining life of the options) adjusted for any expected changes to future volatility due to publicly available information.

The model inputs for the additional options granted during the year ended March 31, 2020 included:-

- (a) options are granted for no consideration and vest upon completion of service for a period of one year. Vested options are exercisable for a period of four years after vesting.
- (b) exercise price: ₹ 78.65
- (c) grant date: August 1, 2019
- (d) expiry date: August 1, 2024
- (e) share price at grant date: ₹ 78.65
- (f) expected price volatility of the Company's shares: 42.29%
- (g) expected dividend yield: 0%
- (h) risk free interest rate: 5.97%

The expected price volatility is based on the historic volatility (based on the remaining life of the options) adjusted for any expected changes to future volatility due to publicly available information.

(b) Expenses arising from share based payment transactions

Total expenses arising from share based payment transactions recognised in profit and loss as part of employee benefits expense were as follows:-

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Employee option plan	23.31	30.94

Note 38 - Financial risk management

The Company's business activities exposes it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management and key management personnel have the ultimate responsibility for managing these risks. The Company has a mechanism to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's senior management and key management personnel are supported by the finance team and respective business divisions that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to protect the Company's financial results and position from financial risks; and maintain market risks within acceptable parameters, while optimising returns.

(A) Management of liquidity risk

The principal sources of liquidity of the Company are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. The Company is cognizant of reputational risk that are associated with the liquidity risk and such risk is factored into the overall business strategy. The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020
(All amounts in ₹ Lakhs, unless otherwise stated)

As at March 31, 2020	Note	Carrying amount	Less than 12 months	1 year to 3 years	More than 3 years
Borrowings	19,22 and 24	14,974.62	8,735.38	5,445.37	793.87
Interest accrued but not due on borrowings	24	39.35	39.35	-	-
Trade payables	23	31,400.19	31,400.19	-	-
Trade / Security deposits	20	317.56	-	317.56	-
Lease liabilities	3(b)(ii)	74.20	74.20	-	-
Interest accrued on others	20	283.82	-	283.82	-
Other liabilities	24	613.13	613.13	-	-
As at March 31, 2019	Note	Carrying amount	Less than 12 months	1 year to 3 years	More than 3 years
Borrowings	19,22 and 24	20,697.16	15,063.42	5,318.82	314.92
Interest accrued but not due on borrowings	24	89.31	89.31	-	-
Trade payables	23	21,484.91	21,484.91	-	-
Trade / Security deposits	20	307.18	-	307.18	-
Trade payables for capital assets	24	49.33	49.33	-	-
Interest accrued on others	20	283.82	-	283.82	-
Other liabilities	24	613.18	613.18	-	-

(B) Management of market risk

The size and operations of the Company result in it being exposed to the following market risks that arise from its use of financial instruments:

- price risk
- interest rate risk
- Commodity risk
- foreign exchange risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and the Management of, these risks is explained below:

Potential impact of risk	Management policy	Sensitivity to risk
i) Price risk		
<p>The Company is mainly exposed to the price risk due to its investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments. Equity price risk is related to the change in market reference price of the investments in equity securities.</p> <p>In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities. The fair value of quoted equity instruments classified as fair value through Other Comprehensive Income as at March 31, 2020 is ₹ 16,775.38 lakhs (March 31, 2019: ₹ 37,315.73 lakhs).</p>	<p>In order to manage its price risk arising from investments in equity instruments, the Company maintains its portfolio in accordance with the framework set by the Risk Management policies.</p> <p>Any new investment or divestment must be approved by the Board of Directors, Chief Financial Officer and Risk Management Committee.</p>	<p>As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the Company has calculated the impact as follows:</p> <p>For equity instruments, a 5% increase in Sensex prices would have led to an approximately additional ₹ 838.77 lakhs gain (March 31, 2019 - ₹ 1,929.60 lakhs). A 5% decrease in Sensex prices would have led to an equal but opposite effect.</p>

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Potential impact of risk	Management policy	Sensitivity to risk
ii) Interest rate risk		
a) Financial liabilities		
The Company is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings. As at March 31, 2020, the exposure to interest rate risk due to variable interest rate borrowings amounted to ₹ 11,474.62 lakhs (March 31, 2019: ₹ 20,697.16 lakhs)	The Company monitors fluctuations in interest rate continuously and has laid policies and guidelines including to minimise impact of interest rate risk.	As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 25 bps change in interest rates. A 25 bps increase in interest rates would have led to approximately an additional loss of ₹ 28.69 lakhs (March 31, 2019: ₹ 53.08 lakhs). A 25 bps decrease in interest rates would have led to an equal but opposite effect.
iii) Commodity risk		
Commodities form a major part of the raw materials required for Company's products portfolio and hence commodity price risk is one of the important market risk for the Company. The commodities are priced using pricing benchmarks and commodity derivatives are priced using exchange-traded pricing benchmarks.	The Company has a robust framework and governance mechanism in place to ensure that the organisation is adequately protected from the market volatility in terms of price and availability. Company has managed the commodity risk with appropriate hedging activities in accordance with policies of the Company. The aim of the Company's approach to manage commodity risk is to leave the Company with no material residual risk. The Company uses future contracts to hedge against its commodity exposures relating to cotton which is its most widely used raw material.	As an estimation of the approximate impact of the residual risk, with respect to commodity futures, the Company has calculated the impact of a 5% change in futures rates. A 5% strengthening of the respective futures would result additional loss / gain of NIL (March 31, 2019 - NIL) impact on profit and equity. This analysis assumes that all other variables remain constant. A 5% weakening of the futures would have led to an equal but opposite effect.
iv) Foreign exchange risk		
The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised Financial assets and liabilities denominated in a currency that is not the functional currency (₹) of the Company. The risk also includes highly probable foreign currency cash flows.	The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD, EURO, GBP and AED The aim of the Company's approach is to manage the currency risk and to leave the Company with no material residual risk. This aim has been achieved in all years presented. The Company manages currency exposures within prescribed limits, through use of forward exchange contracts. Foreign exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.	As an estimation of the approximate impact of the foreign exchange rate risk, with respect to Financial Statements, the Company has calculated the following: For derivative and non-derivative financial instruments, a 5% increase in the spot price as on the reporting date would result in gain of ₹ 49.04 lakhs (March 31, 2019: gain of ₹ 74.91 lakhs). A 5% decrease would have led to an equal but opposite effect.

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

As at March 31, 2020		As at March 31, 2019	
Receivable/ Payable	Receivable/ Payable in Foreign currency	Receivable/ Payable	Receivable/ Payable in Foreign currency
₹ in lakhs	(Amount in Foreign currency) (in lakhs)	₹ in lakhs	(Amount in Foreign currency) (in lakhs)
Receivable		Receivable	
801.50	USD 10.59	1,656.81	USD 23.957
442.58	AED 21.49	93.91	AED 4.99
-	-	27.11	EURO 0.35
-	-	78.17	GBP 0.86
Payable		Payable	
256.65	USD 3.39	357.81	USD 5.174
6.55	GBP 0.07	-	-

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

(C) Management of credit Risk

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

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large, diverse and across sectors and countries. All trade receivables are reviewed and assessed for default on a quarterly basis.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

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

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

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks. The Company has a diversified portfolio of investment with various number of counterparties which have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the treasury department of the Company.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised as income in the Statement of Profit and Loss.

Note 39 - Capital Management

(a) Risk management

The Company's objectives when managing capital are to safeguard Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the Balance Sheet) less cash and cash equivalents and other bank balances. Total capital is calculated as 'equity' as shown in the Balance Sheet.

Description	As at March 31, 2020	As at March 31, 2019
Total Equity (A)	28,455.89	50,698.98
Non-Current Borrowings	6,239.24	5,633.74
Short Term Borrowings	7,183.52	12,387.67
Current maturities of long term borrowings	1,551.86	2,675.75
Gross Debt (B)	14,974.62	20,697.16
Gross Debt as above		
Less: Cash and Cash Equivalents	2,695.21	1,019.73
Less: Other balances with bank (including non-current earmarked balances)	884.48	900.02
Net Debt (C)	11,394.93	18,777.41
Net Debt to Equity (C/A)	0.40	0.37

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 40 - Employee benefit obligations

Particulars	As at March 31, 2020	As at March 31, 2019
Compensated Absences (Refer Note 25)	591.43	582.61
Gratuity (Refer Note 25)	708.93	342.47
Total	1,300.36	925.08

(i) Compensated Absences

The employees of the Company are entitled to compensated absences as per the policy of the Company. The entire amount of the provision of compensated absences is presented as current, since the Company does not have an unconditional right to defer settlement for the obligation. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Particulars	As at March 31, 2020	As at March 31, 2019
Current leave obligations not expected to be settled within the next 12 months	516.46	421.65

(ii) Post employment obligations

(a) Defined Contribution Plans:

The Company contributes towards Employees State Insurance Scheme, Family Pension Fund, Superannuation Fund and Provident Fund for certain employees. The contributions are normally based on a certain proportion of the employee's salary. During the year, the Company has recognised contribution to these funds aggregating to ₹ 462.47 lakhs (March 31, 2019- ₹ 620.87 lakhs) (Refer Note 31).

(b) Defined Benefit Plans:

Gratuity

The Company provides for gratuity for employees as per the Company policy. The amount of gratuity payable on retirement/termination is payable to the employees based on last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Company has established Fund to which the Company makes contribution for certain employees, whereas, for some other employees the Company makes contribution to a trust maintained by Life Insurance Corporation ('LIC') of India. The contributions are made to gratuity funds based upon actuarial valuation done at the year end of every financial year using "Projected Unit Credit" method. The charge on account of provision for gratuity has been included in 'Employee Benefits Expense' in the Statement of Profit and Loss except remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability which are recognised in other comprehensive income.

Provident fund

In respect of certain employees, provident fund contributions are made to a separately administered trust. Such contribution to the provident fund are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the guaranteed specified interest rate, the same is provided for by the Company. The actuary has provided an actuarial valuation and the interest shortfall liability, if any, has been provided in the books of accounts after considering the assets available with the provident fund trust.

GRATUITY

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As on April 1, 2018	3,103.76	2,898.57	205.19
Interest Expense/(Income)	243.10	226.98	16.12
Current Service Cost	170.03	-	170.03
Past Service Cost	-	-	-
Total Amount Recognised in Profit and Loss	413.13	226.98	186.15
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	(10.79)	10.79
(Gain)/loss from change in financial assumptions	76.59	-	76.59
Experience (gains)/losses	62.87	-	62.87
Total Amount Recognised in Other Comprehensive Income	139.46	(10.79)	150.25
Employer Contributions	-	199.12	(199.12)
Benefit Payments	(984.47)	(984.47)	-
Balance as on March 31, 2019	2,671.88	2,329.41	342.47

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As on April 1, 2019	2,671.88	2,329.41	342.47
Interest Expense/(Income)	202.03	176.24	25.79
Current Service Cost	125.18	-	125.18
Total Amount Recognised in Profit and Loss	327.21	176.24	150.97
<i>Remeasurements</i>			
Return on plan assets, excluding amount included in interest expense/(income)	-	2.36	(2.36)
(Gain) / loss from change in financial assumptions	113.41	-	113.41
Experience (gains)/losses	179.20	-	179.20
Total Amount Recognised in Other Comprehensive Income	292.61	2.36	290.25
Employer Contributions	-	74.75	(74.75)
Benefit Payments	(533.90)	(533.90)	-
Balance as on March 31, 2020	2,757.80	2,048.86	708.94

PROVIDENT FUND

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 1, 2018	2,269.88	2,408.29	(138.41)
Opening Balance adjustment	46.78	36.73	10.05
Interest Expense/(Income)	175.99	175.99	-
Current Service Cost	112.41	-	112.41
Employee Contributions	161.86	274.27	(112.41)
Liabilities transferred in	41.03	41.03	-
Benefit Payments	(376.72)	(376.72)	-
Actuarial gain/ (loss)	-	(0.68)	0.68
Balance as on March 31, 2019*	2,431.23	2,558.91	(127.68)
Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 1, 2019	2,431.23	2,558.91	(127.68)
Opening Balance adjustment	(7.08)	168.83	(175.91)
Interest Expense/(Income)	172.45	6.21	166.24
Current Service Cost	94.33	-	94.33
Employee Contributions	130.54	224.87	(94.33)
Liabilities transferred in / (out)	15.12	15.12	-
Return on plan assets	-	(16.93)	16.93
Benefit Payments	(782.06)	(782.06)	-
Balance as on March 31, 2020*	2,054.53	2,174.95	(120.42)

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

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

GRATUITY

Particulars	As at March 31, 2020	As at March 31, 2019
Present Value of Obligations	2,757.80	2,671.88
Fair Value of Plan Assets	2,048.86	2,329.41
Net (Asset) / Liability	708.94	342.47

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

PROVIDENT FUND

Particulars	As at March 31, 2020	As at March 31, 2019
Present Value of Obligations	2,054.53	2,431.23
Fair Value of Plan Assets	2,174.95	2,558.91
Net (Asset) / Liability*	(120.42)	(127.68)

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

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Discount Rate / Return on plan assets		
Gratuity	6.84%-6.86%	7.54%- 7.79%
Guaranteed Return		
Provident fund	8.50%	8.65%
Rate of salary increase		
Gratuity	4.00%	4.00%
Rate of employee turnover		
Gratuity	2.00%	2.00%
Mortality rate during employment	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)

Sensitivity Analysis

The sensitivity of the defined benefit obligation to increase and decrease in the weighted principal assumptions by 0.50% is as below:

Particulars	Impact on defined benefit obligation			
	Increase in assumptions		Decrease in assumptions	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount Rate / Return on plan assets				
Gratuity	(81.39)	(80.78)	86.06	85.76
Rate of salary increase				
Gratuity	88.05	88.37	(83.94)	(83.87)
Rate of employee turnover				
Gratuity	15.63	21.70	(16.37)	(22.82)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iii) The major categories of plans assets are as follows:

The plan asset for the funded gratuity plan is administered by Life Insurance Corporation of India ("LIC") and Trust managed by the Fund as per the investment pattern stipulated for Pension and Group Schemes fund by Insurance Regulatory and Development Authority regulations i.e. 100% of plan assets are invested in insurer managed fund. Quoted price of the same is not available in active market.

(iv) Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Demographic Risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. 100% of the plan asset investments is in insurer managed funds. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level.

Salary Inflation Risk : Higher than expected increases in salary will increase the defined benefit obligation.

Interest-Rate Risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(v) Defined Benefit Liability and Employer Contributions

Expected contributions to post-employment benefit plans for the year ending March 31, 2021 are ₹279.63 lakhs.

The weighted average duration of the defined benefit obligation is 7-11 years (2019 - 7-11 years). The expected maturity analysis of undiscounted gratuity is as follows:

Maturity Analysis of the Projected Benefit Obligations - Gratuity

Particulars	As at March 31, 2020	As at March 31, 2019
1st Following Year	351.46	416.17
2nd Following Year	168.89	212.02
3rd Following Year	245.26	212.14
4th Following Year	283.09	238.90
5th following year	266.81	275.79
Sum of 6th to 10th Following Year	1,376.46	1,263.97

Note 41 - Related party transactions

I Name of related parties and nature of relationship:

A) Subsidiary Company

Mafatlal Services Limited

B) Key Management Personnel

H. A. Mafatlal (Executive Chairman)

Priyavrata H. Mafatlal (Executive Director) [CEO {w.e.f. April 1, 2019}] [Son of Shri H. A. Mafatlal]

Atul K. Srivastava (Non Executive Independent Director w.e.f. August 5, 2019) (Non Executive Non Independent Director upto August 4, 2019)

Vilas R. Gupte (Non Executive Independent Director)

Pradip N. Kapadia (Non Executive Independent Director)

Latika P. Pradhan (Non Executive Independent Director)

Gautam G. Chakravarti (Non Executive Independent Director)

Sujal A. Shah (Non Executive Independent Director)

Aniruddha Deshumkh (Managing Director & CEO) up to March 31, 2019**

C) Individual having significant influence

H. A. Mafatlal

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

NOCIL

Arvi Associates Private Limited #

Gayatri Pestichem Manufacturing Private Limited

Mafatlal Industries Limited

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

E) Enterprises over which Individual having significant influence and relatives of such individual are able to exercise significant influence.

Sukarma Investments Private Limited **
Sumil Holding Private Limited #
Suremi Trading Private Limited #
Silvia Apparel Limited **
Mafatlal Global Apparel Limited**
Altamount Product and Services Private Limited**

F) Post employment benefit plan

The Mafatlal Gagalbhai & Sons and the Associate Concerns Officer's Superannuation Scheme
Mafatlal Industries Limited - Employees' Gratuity Fund
Mafatlal Industries Limited - Employees Provident Fund
Mafatlal Denim Limited - Employees Provident Fund
Mafatlal Denim Limited - Employees Superannuation Fund

Arvi Associates Private Limited is merged with Suremi Trading Private Limited (Transferee Company or the Demerged Company) and Sumil Holding Private Limited is the Resulting Company.

** No transactions during the year.

II Transactions with related parties

The following transactions occurred with related parties:

A) Key Management personnel compensation

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Directors Remuneration		
Short-term employee benefits		
Aniruddha Deshumkh	-	227.47
Priyavrata H. Mafatlal	62.49	25.23
Post-employment benefits	*	*
Long-term employee benefits	*	*
Employee share-based payment	-	-
Director's sitting fees		
Latika P. Pradhan	7.00	10.50
Atul K. Srivastava	9.80	7.00
Pradip. N. Kapadia	6.30	8.40
Gautam G. Chakravarti	14.00	11.20
Sujal A. Shah	7.00	8.40
Vilas. R. Gupte	9.10	12.60
Total compensation	115.69	310.80

B) Details of transactions with Related Parties during the year

Nature of transaction	Year ended March 31, 2020	Year ended March 31, 2019
(i) Sale of Goods & Services		
Suremi Trading Private Limited (Now Sumil Holding Private Limited) #	0.03	0.36
(ii) Other Operating Revenues		
NOCIL	9.11	13.08
(iii) Dividend Income		
NOCIL	1,262.95	650.20
(iv) Receiving of Services (Expense)		
Mafatlal Services Limited	13.52	13.01

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Nature of transaction	Year ended March 31, 2020	Year ended March 31, 2019
(v) Lease & License Fees		
Arvi Associates Private Limited (Now Sumil Holding Private Limited) #	3.82	2.28
Gayatri Pestichem Manufacturing Private Limited	0.13	0.12
(vi) Payment for Post employment benefit plan		
The Mafatlal Gagalbhai & Sons and the associate concerns officer's superannuation scheme	60.27	61.16
Mafatlal Industries Limited Employees Gratuity Fund	24.81	15.00
Mafatlal Industries Limited Employees Provident Fund	223.57	285.78
Mafatlal Denim Limited Employees Provident Fund	2.69	2.18
Mafatlal Denim Limited Employees Superannuation Fund	-	19.28
(vii) Sale of Investments		
Suremi Trading Private Limited (Now Sumil Holding Private Limited) #	-	64.81
Arvi Associates Private Limited (Now Sumil Holding Private Limited) #	-	272.50
(viii) Amount due from		
Trade and other receivables:		
NOCIL	0.66	3.70
Suremi Trading Private Limited (Now Sumil Holding Private Limited) #	-	0.32
(ix) Amount due to		
Trade and other payables:		
Mafatlal Services Limited	1.68	1.58
(x) Investments in Related Parties		
NOCIL	16,620.46	37,168.70

Notes:

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

Terms and conditions

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

Note 42 - Contingent liabilities and contingent assets

(a) Contingent liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Income Tax Matters	3,013.83	3,053.63
Central excise and related matters	190.72	528.70
Central excise and service tax matters*	2,960.55	2,960.55
Other Commercial matters	49.83	49.83
Labour Law matters	137.56	366.87
Director General of Foreign Trade matters	4.79	4.79
Total	6,357.28	6,964.37

* The Company has received a favourable order from Honourable CESTAT subsequent to the year end.

(b) The Company is a lessee in respect of the land on which Mafatlal Centre and Mafatlal Chambers is erected. In this regard:

In case of Mafatlal Centre:

A demand for ₹ 2,696.98 lakhs (March 31, 2019 ₹ 2,696.98 lakhs) for the period from 2004-07 and 2008-10 were 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.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

In case of Mafatlal Chambers:

A demand for ₹ 792.46 lakhs (March 31, 2019 ₹ 792.46 lakhs) for the period 2000-05 has been raised by Brihanmumbai Mahanagarpalika ('BMC') towards Property Taxes in respect of the properties owned by the Company at the relevant time. The said demand has been disputed by the Company. As per the directions given by the Honourable Bombay High Court, the BMC has granted hearing to the Company and the final outcome is awaited.

- (c) It is not practicable for the Company to estimate the timing of cash flows, if any, in respect of the above pending resolution of the respective proceedings.
- (d) The Company does not expect any reimbursement in respect of the above contingent liabilities.
- (e) The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

Note 43 - Commitments

(a) Capital commitments and other commitments

Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated value of contracts on capital account remaining to be executed:		
Tangible assets	-	139.96

Other commitments

Particulars	As at March 31, 2020	As at March 31, 2019
Export obligations against the import licenses taken for import of capital goods under the Export Promotion Capital Goods Scheme which is to be fulfilled over the period of next six years. If the Company is unable to meet these obligations, its liability would be NIL (March 31, 2019 : ₹ 1,452.83 lakhs) which will reduce in proportion to actual exports. The Company is reasonably certain to meet its export obligations, hence it does not anticipate a loss with respect to these obligations.	-	8,716.98

(b) Non-cancellable operating leases

As a lessor

The Company has entered into non-cancellable operating lease arrangements for certain office premises. The tenure of such agreements ranges from eleven to sixty months. (Refer Note 4)

Particulars	As at March 31, 2020	As at March 31, 2019
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	214.37	103.51
Later than one year but not later than five years	17.09	45.11
Total	231.46	148.62

As a Lessee

The Company has entered into operating lease arrangements for certain facilities and residence premises. The leases are non-cancellable and are for a period upto 5 years and may be renewed for a further period upto 3 years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments upto 15% every 3 years. There are no sub-leases. From April 1, 2019 the Company has recognised right of use of Assets for these leases, refer note 3(b) for further information

Particulars	As at March 31, 2020	As at March 31, 2019
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	-	179.55
Later than one year but not later than five years	-	59.39
Total	-	238.94

Rental expense relating to operating leases

Particulars	As at March 31, 2020	As at March 31, 2019
Total rental expense relating to operating leases*	-	306.92

* Refer Note 34 to Statement of Profit and Loss

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 44 - Segment information

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

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Within India	Outside India	Within India	Outside India
Revenue from Operations	93,174.19	7,361.26	91,846.61	10,521.45

Segment Assets

Particulars	As at March 31, 2020		As at March 31, 2019	
	Within India	Outside India	Within India	Outside India
Non-current assets excluding financial assets, investment in a subsidiary, deferred tax assets and income tax assets	13,912.79	-	14,419.78	-

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

Note 45 - Earnings per share

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Basic and Diluted (Loss) / Earnings Per Share		
Loss after Taxation	(1,370.80)	(18,007.04)
Weighted average number of shares for Basic and Diluted EPS (Nos.)	13,912,886	13,912,886
Nominal Value of shares outstanding	10	10
Basic and Diluted Loss Per Share	(9.85)	(129.43)
Weighted average number of shares used as the denominator		
Opening Balance	13,912,886	13,912,886
Issued during the year	-	-
Weighted average number of shares used as the denominator for calculating basic and diluted earnings per share	13,912,886	13,912,886

Note 46 - Government Grant

Export Promotion Capital Goods (EPCG): This scheme allows import of certain capital goods including spares at zero duty subject to an export obligation for the duty saved on such capital goods. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as a Capital Grant as stated in the Accounting policy on Government Grant (Refer note 2).

Technology Upgradation Fund Scheme (TUFS): The Company is entitled to subsidy, on its investment in the property, plant and equipment, on fulfilment of the conditions stated in these Scheme.

Duty Drawback Scheme: Under Duty drawback scheme, the Company receives certain percentage of export proceeds as a duty drawback from custom authorities on export of products.

Incremental Incentive Scheme: Under incremental incentive scheme, Company receives scrips for incremental exports.

These subsidies being Government Grant with primary condition as export of products are accounted as a Revenue Grant as stated in the Accounting policy on Government Grant (Refer Note 2).

The Government Grant above represents unamortised amount of the subsidy referred below, with the corresponding adjustment to the carrying amount of property, plant and equipment (Refer Note 3).

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	686.64	3,156.63
Grants during the year	-	26.63
Less:- Grant reclassified / reversed	(32.17)	(72.85)
Less: Released to Statement of Profit and Loss [Refer Note 28 (a)]	(122.80)	(487.60)
Less : Impairment [Refer Note 34 (b)]	-	(1,936.17)
Closing balance	531.67	686.64

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Description	As at March 31, 2020	As at March 31, 2019
Current portion	130.18	142.48
Non-current portion	401.49	544.16
Total	531.67	686.64

Note 47 - Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
Current			
Financial Assets			
First and Second Charge			
Trade receivables	12	25,084.93	19,135.72
Non-Financial Assets			
Inventories	11	10,605.69	10,496.54
Assets held for sale	17	2,457.21	7,850.09
Total Current assets pledged as security		38,147.83	37,482.35
Non-Current			
First and Second Charge			
Financial Assets			
Investments	6	4,389.56	13,274.49
Non-Financial Assets			
Land	3(a)	8.57	8.57
Building	3(a)	1,156.79	2,772.20
Plant & Machinery	3(a)	9,702.74	9,373.81
Investment Property	4	227.52	218.01
Vehicles	3(a)	80.87	168.56
Others Assets	14	40.98	40.98
Total Non-Current assets pledged as security		15,607.03	25,856.62
Total assets pledged as security		53,754.86	63,338.97

Note 48(a)

The outbreak of Covid-19 has severely impacted many businesses around the world. In view of the various directives of Central Government/ Concerned State Governments relating to lockdown, the Company, on March 22nd, 2020, decided to temporarily suspend manufacturing operations at its facilities, after following requisite safety protocols. The Company has since re-commenced its operations at plant location from May 14th, 2020 in a phased manner. Management has carried out a detailed assessment of the impact of Covid-19 on its business operations and liquidity position, and on the recoverability and carrying values of its assets, including Property, Plant and Equipment, Investment Properties, Intangible assets, Assets held for sale, Trade receivables, Inventories, Investments and Deferred tax assets and has concluded that there are no significant impact on its Financial Statements as at March 31st, 2020. The assessment of the liquidity position made by the Management is highly dependent on debtor's recovery, inventory liquidation and recovery of proceeds from assets held for sale which has also been impacted consequent to Covid-19 outbreak. Based on assessment of the management, an adequate provision for doubtful debts (refer note 12) and slow moving / non-moving inventory (refer note 11) has been recognised. As the situation is constantly evolving, Management has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of the Covid-19 pandemic in these financial statements. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

Note 48(b)

Contingent liability relating to determination of provident fund liability, based on judgement from Hon'ble Supreme Court, is not determinable at present for the period prior to March 2019, due to uncertainty of the impact of the judgement in the absence of further clarification relating to applicability. The Company has paid Provident Fund to employees as applicable with effect from March 2019. The Company will continue to assess any further developments in this matter for its implication on the financial statements, if any.

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 49

- (i) As legally advised, the Company has not recognised as income recovery of rent and other charges of ₹ 83.61 lakhs upto March 31, 2020 (₹ 83.61 lakhs upto March 31, 2019) pending final resolution of legal dispute with certain ex-tenants of a property in South Mumbai. At present, the legal dispute is pending with the Hon'ble Bombay High Court. A sum of ₹ 577.89 lakhs (Net) was withdrawn by the Company in accordance with the Orders passed by the Hon'ble High Court of Bombay on the Civil Revision Applications filed by the ex-tenants and the said amount of ₹ 577.89 lakhs has been included in other current liabilities.
- (ii) In an earlier year, the Company had sold part of its leasehold land at its Mazgaon unit. During the previous financial year, the Company has surrendered the remaining leasehold land (reserved portion admeasuring about 27,287.82 square meters) to Municipal Corporation of Greater Mumbai for the purpose of extension of V.J.B. Udyan. The Company is also required to recommence the spinning unit which can accommodate 10,000 spindles. By virtue of the agreement, the developer will construct a structure and hand it over to the Company.
- (iii) Pursuant to the demerger of the Real Estate and Investment Business to Sulakshana Securities Limited (SSL) in 2002, the shareholders of the Company are to be issued one equity share of ₹ 10/- each, fully paid-up, in SSL for every 500 shares of ₹ 100/- each, fully paid-up, held in the Company as consideration for the demerger, aggregating to ₹ 1.00 lakh. As the shareholders of the Company would be entitled to receive only fractional shares of SSL, the rehabilitation scheme sanctioned by BIFR envisages that these shares would be acquired by Navin Fluorine International Limited (NFIL) and the shareholders of the Company would receive proportionate payment in consideration thereof. The Company has received the said amount of ₹ 1.00 lakh from NFIL on behalf of the shareholders, which is pending disbursement upon completion of formalities.
- (iv) During the financial year ended March 31, 2020 there is no change in the status of the litigation in respect of Company's entitlement for Transfer of Development Rights against surrender of part of leasehold land at Mazagaon to Municipal Corporation of Greater Mumbai as compared to 31st March, 2019.

Note 50 - Details of Research and Development

Details of research and development expenditure recognised as expense:

Particulars	March 31, 2020	March 31, 2019
Employee benefits expense	83.44	81.11
Consumables	4.12	3.11
Repairs and Maintenance	19.73	19.22
Total	107.29	103.44

Note 51 - Others

Export Promotion Capital Goods (EPCG) scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant.

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

In terms of our report attached

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

Jeetendra Mirchandani
Partner
Membership No. 048125
Pune, June 27, 2020

For and on behalf of the Board of Directors

H. A. Mafatlal
Chairman
(DIN:00009872)

Mumbai, June 27, 2020

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

Mumbai, June 27, 2020

M. P. Shah
Chief Financial Officer

Mumbai, June 27, 2020

A. A. Karanji
Company Secretary

Ahmedabad, June 27, 2020

INDEPENDENT AUDITOR'S REPORT

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

Opinion

1. We have audited the accompanying consolidated financial statements of Mafatlal Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiary company (Holding Company and its subsidiary together referred to as "the Group"), [Refer Note 2(b) to the attached consolidated financial statements], which comprise the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, of consolidated total comprehensive income (comprising of loss and other comprehensive income) consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 17 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 50(a) to the consolidated financial statements, which describes the management's assessment of the financial impact consequent to outbreak of Coronavirus (Covid-19) and uncertainties due to the lock-down and other restrictions related to Covid-19. In view of highly uncertain economic environment, a definitive assessment of the impact of the events in the subsequent periods on the balance sheet as of the year end is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

Key audit matter

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

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of recoverability deferred tax assets:</p> <p>Refer Note 35(d) to the consolidated financial statements.</p> <p>In accordance with its accounting policy, the Company recognises DTA on temporary differences and unabsorbed depreciation as it is considered to recoverable based on the Company's projected taxable profits in the forecast period. The Carrying value of Deferred Tax Assets (DTA) is ₹ 1,227.96 lakhs as at March 31, 2020.</p> <p>We considered this a key audit matter because significant judgement is required by the Company in determining the recoverability of DTA recognised on unabsorbed depreciation as the realisation of tax benefits is dependent on future taxable profits and there are inherent uncertainties involved in forecasting such profits.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Evaluation of the design and testing operating effectiveness of Company's controls relating to the assessment of carrying amount of deferred tax assets, the preparation of the forecast and its related inputs/ assumptions. • Reviewed the appropriateness of the Company's accounting policy in respect of recognizing deferred tax assets on unabsorbed depreciation and temporary difference. • Obtained the future taxable profit projections prepared by the management and obtained understanding of process followed and the assumptions used in such preparation. • Assessed the appropriateness of tax rate applied to the taxable profit forecasts. • Considering whether the tax losses, on which deferred tax asset is recognised, have been assessed by the tax authorities and are available for utilisation in accordance with the provisions of Income- tax Act, 1961. • Checked the mathematical accuracy of the underlying calculations of the profit projections. • Reviewed the adequacy of disclosures made in the financial statements with regards to deferred taxes. <p>Based on the above procedures, the Management's assessment of recoverability of deferred tax assets was considered to be reasonable.</p>

Other Information

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

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

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

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

12. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
14. We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

17. We did not audit the financial statements of subsidiary – Mafatlal Services Limited whose financial statements reflect total assets of ₹ 48.45 lakhs and net assets of ₹ 39.13 lakhs as at March 31, 2020, total revenue of ₹ 31.53 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of Nil and net cash flows amounting to ₹ 1.75 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

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

Report on other legal and regulatory requirements

18. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (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 so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Statement of Cashflows dealt with by this report, are in agreement with the books of account and records maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 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 March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2020 on the consolidated financial position of the Group – Refer Note 42, 50(b) and 51 to the consolidated financial statements;
 - (ii) The Group have long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Group did not have any long-term derivative contracts as at March 31, 2020;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended March 31, 2020;
 - (iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2020.
19. The Group has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Jeetendra Mirchandani
Partner
Membership Number: 048125
UDIN: 20048125AAAAER9051

Place: Pune
Date: June 27, 2020

Annexure A to Independent Auditors' Report

Referred to in paragraph 18(f) of the Independent Auditors' Report of even date to the members of Mafatlal Industries Limited on the consolidated financial statements for the year ended March 31, 2020

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of Mafatlal Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date. Reporting under Clause (i) of sub-section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial statements is not applicable to the subsidiary company incorporated in India, pursuant to MCA notification GSR 583(E) dated 13th June, 2017.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the "Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company has in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Also refer paragraph 4 of our audit report.

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

Jeetendra Mirchandani
Partner
Membership Number: 048125
UDIN: 20048125AAAAER9051

Place: Pune
Date: June 27, 2020

Mafatlal Industries Limited

106th Annual Report 2019-20

Consolidated Balance Sheet as at March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	13,154.75	13,210.21
Right-of-use Assets	3(b)(i)	66.83	-
Investment properties	4	250.68	287.22
Intangible assets	5	346.34	362.15
Intangible assets under development	5	-	61.98
Financial assets			
i. Investments	6	16,775.80	37,381.15
ii. Trade receivables	12(a)	33.20	33.20
iii. Loans	8	481.18	471.74
iv. Other financial assets	9	566.74	671.63
Deferred tax assets (Net)	35(d)	1,227.96	1,227.96
Other non-current assets	10	94.19	498.22
Income tax asset (Net)	35(g)	1,701.46	1,831.26
Total non-current assets		34,699.13	56,036.72
Current assets			
Inventories	11	10,605.69	10,496.54
Financial assets			
i. Investments	7	65.00	-
ii. Trade receivables	12 (b)	25,470.16	19,562.80
iii. Cash and cash equivalents	13	2,697.26	1,020.02
iv. Bank balances other than (iii) above	14	891.48	907.46
v. Loans	15	696.60	443.58
Other current assets	16	4,042.43	4,269.54
Assets held for sale	17	2,476.65	7,853.27
Total current assets		46,945.27	44,553.21
TOTAL ASSETS		81,644.40	100,589.93
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18(a)	1,391.22	1,391.22
Other equity	18(b)		
i. Reserves and surplus		14,263.65	15,901.39
ii. Other reserves		12,807.95	33,413.30
Equity Attributable to Owners of Mafatlal Industries Limited		27,071.60	49,314.69
Non Controlling Interests		4.69	4.69
Total equity		28,467.51	50,710.60
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	19	6,239.24	5,633.74
ii. Other financial liabilities	20	606.17	595.79
Other non-current liabilities	21	401.49	544.16
Total non-current liabilities		7,246.90	6,773.69
Current liabilities			
Financial liabilities			
i. Borrowings	22	7,183.52	12,387.67
ii. Trade payables	23		
- total outstanding dues of micro enterprises and small enterprises; and		470.41	44.96
- total outstanding dues of creditors other than micro enterprises and small enterprises		30,928.35	21,438.72
iii. Lease liabilities	3(b)(ii)	74.20	-
iv. Other financial liabilities	24	2,204.34	3,427.57
Provisions	25	1,303.47	927.31
Other current liabilities	26	1,480.96	3,561.19
Income tax liabilities (Net)	35(h)	141.24	290.16
Liabilities directly associated with assets held for sale		2,143.50	1,028.06
Total current liabilities		45,929.99	43,105.64
Total liabilities		53,176.89	49,879.33
TOTAL EQUITY AND LIABILITIES		81,644.40	100,589.93

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

In terms of our report attached

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP

Registration No.012754N / N500016

H. A. Mafatlal
Chairman
(DIN:00009872)

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

M. P. Shah
Chief Financial Officer

A. A. Karanji
Company Secretary

Jeetendra Mirchandani
Partner
Membership No. 048125
Pune, June 27, 2020

Mumbai, June 27, 2020 Mumbai, June 27, 2020 Mumbai, June 27, 2020 Ahmedabad, June 27, 2020

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	27	100,552.94	102,385.36
Other income	28 (a)	3,250.90	2,792.85
Other gains/(losses)	28 (b)	2,426.48	297.48
Total income		106,230.32	105,475.69
Expenses			
Cost of materials consumed	29	29,157.59	32,626.10
Purchases of stock-in-trade		50,731.71	37,470.42
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(1,472.10)	3,823.14
Employee benefits expense	31	8,856.36	12,057.04
Finance costs (Net)	32	3,143.29	3,018.86
Depreciation and amortisation expense	33	1,717.98	3,595.66
Other expenses	34	13,972.24	22,529.71
Total expenses		106,107.07	115,120.93
Profit / (Loss) before exceptional items and tax		123.25	(9,645.24)
Exceptional items	34(b)	(1,459.18)	(8,361.80)
(Loss) before tax		(1,335.93)	(18,007.04)
Income tax expense			
- Current tax	35(a)	-	-
- (Short) / Excess provision of tax for earlier years		(34.87)	-
- Deferred tax charge / (credit)	35(a)	-	-
Total tax credit		(34.87)	-
(Loss) for the year		(1,370.80)	(18,007.04)
Other Comprehensive Income			
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value of FVOCI equity instruments	18(b)	(20,605.35)	(11,015.13)
Remeasurements of post-employment benefit obligations (charge) / credit	40	(290.25)	(150.25)
Total Other Comprehensive Income for the year		(20,895.60)	(11,165.38)
Total comprehensive income for the year		(22,266.40)	(29,172.42)
Loss is attributable to			
Owners of Mafatlal Industries Limited		(1,370.80)	(18,007.04)
Non Controlling Interest		-	-
		(1,370.80)	(18,007.04)
Other comprehensive income is attributable to			
Owners of Mafatlal Industries Limited		(20,895.60)	(11,165.38)
Non Controlling Interest		-	-
		(20,895.60)	(11,165.38)
Total comprehensive income is attributable to			
Owners of Mafatlal Industries Limited		(22,266.40)	(29,172.42)
Non Controlling Interest		-	-
		(22,266.40)	(29,172.42)
Loss per equity share of ₹ 10/- each	45		
Basic		(9.85)	(129.43)
Diluted		(9.85)	(129.43)

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

In terms of our report attached

For and on behalf of the Board of Directors

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

H. A. Mafatlal
Chairman
(DIN:00009872)

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

M. P. Shah
Chief Financial Officer

A. A. Karanji
Company Secretary

Jeetendra Mirchandani
Partner
Membership No. 048125
Pune, June 27, 2020

Mumbai, June 27, 2020

Mumbai, June 27, 2020

Mumbai, June 27, 2020

Ahmedabad, June 27, 2020

Mafatlal Industries Limited

106th Annual Report 2019-20

Consolidated Cashflow Statement for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flow from operating activities		
Net Profit /(Loss) before exceptional items and tax as per the Statement of Profit and Loss	123.25	(9,645.24)
Adjustments for:		
ESOP expense	23.31	30.94
Depreciation / amortisation on property plant and equipment, investment property, intangible asset	1,717.98	3,595.66
Impairment losses / Exceptional items	600.85	7,302.40
Finance costs	3,143.29	3,018.86
Gain on sale of Property Plant and Equipment	(2,288.37)	(157.03)
Interest Income	(156.66)	(174.21)
Interest on income tax refund	-	(32.69)
Apportionment of government grant	(122.80)	(487.60)
Dividend income	(1,271.58)	(655.82)
Rental Income on Investment Properties	(406.04)	(519.60)
Utility / business service / air-conditioning charges and other receipts in respect of investment property	(863.76)	(837.64)
Bad trade and other receivables/ Loans and advances written off (net)	7.00	2.35
Provision for doubtful debts/ advances	117.39	224.11
Net unrealised exchange loss /(gain)	(120.44)	91.95
Operating profit before working capital changes	503.42	1,756.44
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(109.15)	5,770.51
Trade receivables	(5,929.41)	8,739.89
Current Loans and advances	(253.02)	5.01
Non current loans and advances	(41.61)	155.56
Other Current Financial Assets	(7.00)	(0.58)
Other Non Current Financial Assets	-	35.99
Other Bank Balances	15.54	744.63
Other Non Current Assets	412.84	(18.14)
Other Current Assets	227.54	(581.46)
Adjustments for increase / (decrease) in operating liabilities:		
Other Non Current Financial Liabilities	10.38	68.54
Other Non current Liabilities	12.30	(1,526.44)
Trade and other payables	9,961.65	(5,489.77)
Other Current Financial Liabilities (excluding current maturities of non current borrowings)	(0.05)	56.22
Current Provisions	85.82	(1,331.04)
Other Current Liabilities	(962.60)	795.30
Changes in Working Capital	3,423.23	7,424.22
Cash generated from Operations	3,926.65	9,180.66
Net income tax (paid) / refunds	(53.93)	(23.11)
Net Cash inflow from operating activities before exceptional items	3,872.72	9,157.55
Exceptional Items	(1,459.18)	(8,361.80)
Net Cash inflow from operating activities	2,413.54	795.75

Consolidated Cashflow Statement for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

	Year ended March 31, 2020	Year ended March 31, 2019
B. Cash flow from investing activities		
Purchase of Property, Plant and Equipment including capital advances	(128.21)	(1,085.05)
Proceeds from disposal of Investment Properties (Net)	2,289.33	-
Proceeds from disposal of Property, Plant and Equipment / Assets held for sale	3,464.22	510.61
Purchase of Intangible Assets including intangible under development	(11.00)	(67.12)
Purchase of investments	(65.00)	-
Sales Proceeds of investments	-	1,764.45
Deposits Matured / (Placed) with banks	104.89	657.12
Interest received	156.66	174.21
Dividend income	1,271.58	655.82
Rental Income on Investment Properties	406.04	519.60
Utility / business service / air-conditioning charges and other receipts in respect of investment property	863.76	837.64
Net cash inflow from investing activities	8,352.27	3,967.28
C. Cash flow from financing activities		
Non current Borrowings taken	3,813.00	275.94
Interest Paid	(3,155.23)	(2,995.41)
Non current borrowings repaid	(4,369.40)	(2,380.39)
Current borrowings taken / (repaid)	(5,204.14)	(558.17)
Principal element of lease payments	(172.80)	-
Net cash outflow from financing activities	(9,088.57)	(5,658.03)
Net Increase / (Decrease) in cash and cash equivalents	1,677.24	(895.00)
Cash and cash equivalents at the beginning of the year	1,020.02	1,915.02
Cash and cash equivalents at the end of the year	2,697.26	1,020.02

Notes:-

- 1) The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Ind. AS 7 "Statement of Cash Flows" as notified under Companies (Accounts) Rules, 2015.

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

In terms of our report attached

For and on behalf of the Board of Directors

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

H. A. Mafatlal
Chairman
(DIN:00009872)

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

M. P. Shah
Chief Financial Officer

A. A. Karanji
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Jeetendra Mirchandani
Partner
Membership No. 048125
Pune, June 27, 2020

Mumbai, June 27, 2020

Mumbai, June 27, 2020

Mumbai, June 27, 2020

Ahmedabad, June 27, 2020

Consolidated statement of Changes in equity as at March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

A. Equity share capital

Particulars	Balance at the beginning of the reporting year	Changes in Equity Share Capital during the year	Balance at the end of the reporting year
As at March 31, 2019	1,391.22	-	1,391.22
As at March 31, 2020	1,391.22	-	1,391.22

B. Other equity

Particulars	Attributable to equity holders of Mafatal Industries Limited											Non controlling Interests	
	Reserves and surplus										Other reserves		Total Other Equity Attributable to Owners
	Securities premium reserve	Retained earnings	Capital reserve No.1	Capital reserve No. 2	Capital Reserve on Amalgamation	General Reserve	Capital Redemption Reserve	Capital Investment Reserve	ESOP Reserve	Export Profit Reserve			
As at March 31, 2018	17,452.07	3,726.22	61.16	35.00	3,634.48	620.00	8,383.14	75.96	17.93	20.00	44,428.43	78,456.17	4.69
Loss for the year	-	(18,007.04)	-	-	-	-	-	-	-	-	-	(18,007.04)	-
Charge for the year	-	-	-	-	-	-	-	-	30.94	-	-	30.94	-
Other comprehensive income	-	(150.25)	-	-	-	-	-	-	-	-	(11,015.13)	(11,165.38)	-
As at March 31, 2019	17,452.07	(14,431.07)	61.16	35.00	3,634.48	620.00	8,383.14	75.96	48.87	20.00	33,413.30	49,314.69	4.69
Loss for the year	-	(1,370.80)	-	-	-	-	-	-	-	-	-	(1,370.80)	-
Charge for the year	-	-	-	-	-	-	-	-	23.31	-	-	23.31	-
Other comprehensive income	-	(290.25)	-	-	-	-	-	-	-	-	(20,605.35)	(20,895.60)	-
As at March 31, 2020	17,452.07	(16,092.12)	61.16	35.00	3,634.48	620.00	8,383.14	75.96	72.18	20.00	12,807.95	27,071.60	4.69

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

In terms of our report attached **For and on behalf of the Board of Directors**

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

H. A. Mafatal Chairman (DIN:00009872)
P. H. Mafatal CEO & Executive Director (DIN:02433237)
M. P. Shah Chief Financial Officer
A. A. Karanji Company Secretary

Jeetendra Mirchandani
Partner
Membership No. 048125
Pune, June 27, 2020

Mumbai, June 27, 2020 Mumbai, June 27, 2020 Mumbai, June 27, 2020 Ahmedabad, June 27, 2020

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

1. Background

Mafatlal Industries Limited (the "Company" or "MIL") is a public limited Company incorporated under the provisions of the Companies Act, 1956. The shares are listed on the Mumbai Stock Exchange. The Company belongs to the reputed industrial house of Arvind Mafatlal Group in India, established in 1905. The Company is engaged in textile manufacturing and trading, having its manufacturing units at Nadiad and Navsari. The Company and its subsidiary, Mafatlal Services Limited ("MSL"), are together referred to as the Group.

2. Significant accounting policies

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

a. Basis of Preparation

i. Compliance with Ind AS

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

ii. Historical cost convention

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

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair values;
- Assets held for sale - measured at fair value less cost to sell;
- Defined benefit plans - plan assets measured at fair value, and
- Share-based payments

iii. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Second Amendment Rules, 2018 has notified the following new amendments to Ind ASs.

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

iv. New amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2019:

• Ind AS 116, leases

The Group has adopted Ind AS 116, Leases, effective April 1, 2019, on a modified retrospective basis, applying the standard to all leases on balance sheet.

The adoption of Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments ('lease liability') and an asset representing right to use the underlying asset during the lease term ('right-of-use asset').

- Uncertainty over Income tax treatments-Appendix C to Ind AS 12, Income Taxes
- Plan amendment, curtailment or settlement- Amendments to Ind AS 19, Employee benefits
- Amendment to Ind AS 12, Income Taxes
- Amendment to Ind AS 23, Borrowing Cost

The Group had to change the accounting policies as a result of adopting Ind AS 116. This is disclosed in Note 3(b). The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

b. Principles of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

c. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM consists of Chairman, CEO and Executive Director of the Company, who are responsible for allocating resources and assessing performance of the operating segments. The Group operates only in one Business Segment

i.e. textile business segment, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

d. **Foreign Currency Transactions**

i. **Functional and presentation currency**

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

ii. **Transactions and balances**

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

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

e. **Revenue Recognition**

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

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

Timing of recognition

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

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

Measurement of revenue

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government which are levied on sales such as sales tax, value added tax, goods and services tax, etc. Discounts given include rebates, price reductions and other incentives given to customers.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases. No element of financing is deemed present as sales are made with a credit term which is consistent with market practice.

f. **Income tax**

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

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

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

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

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

Current and deferred tax is recognised in the Statement of Profit or Loss, except to the extent that it relates to items recognised in

Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

g. Government grants

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

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

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

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

h. Leases

Till March 31, 2019:

As a lessee

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

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

As a lessor

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

With effect from April 1, 2019 :

The Group has adopted IndAS 116 using the modified retrospective approach with effect from initially applying this standard from

April 1, 2019. Accordingly, the information presented for previous year ended March 31, 2019 has not been restated and continues to be reported under Ind AS 17. The Group has adopted modified retrospective approach where lease liability measured at present value of remaining lease payment discounted at the incremental borrowing rate at the date of initial application and right to use asset is equal to lease liability adjusted by the amount of any prepaid or accrued lease payments.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

i. Property, plant and equipment:

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

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured

reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

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

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

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

Depreciation methods, estimated useful lives and residual value:

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

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

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

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

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

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

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

Transition to Ind AS:

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as at April 1, 2016 measured under IGAAP as the deemed cost of the Property, Plant and Equipment.

j. Intangible assets

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

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

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

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

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

Research and development:

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

Transition to Ind AS:

On transition to Ind AS, the Group has elected to continue with the carrying value of Intangible Assets recognised as at April 1, 2016 measured under IGAAP as the deemed cost of Intangible Assets.

k. Investment properties:

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

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

Transition to Ind AS:

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Investment Property recognised as at April 1, 2016 measured under IGAAP as the deemed cost of Investment Property.

l. Impairment of assets:

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal / external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use,

whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

m. Cash and cash equivalents:

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

n. Trade receivables:

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

o. Trade payables:

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

p. Inventories:

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

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

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

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

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

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

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through

a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

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

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

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

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

r. Investments and other financial assets

i. Classification

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

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

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

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

ii. **Initial recognition and measurement:**

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

iii. **Subsequent measurement**

After initial recognition, financial assets are measured at:

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

Debt instruments

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

Measured at amortised cost:

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

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

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

Measured at fair value through profit or loss:

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

Equity instruments:

The Group subsequently measures all investments in equity instruments at fair value. The Management of the Group has elected to present fair value gains and losses on such equity investments in either Other Comprehensive Income or profit & loss. There is no subsequent reclassification of fair value gains and losses to the Statement of profit and loss where FVOCI option is chosen. Dividends from such investments continue

to be recognised in the Statement of Profit and Loss as Other income when the right to receive payment is established.

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

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

Fair Value hierarchy

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

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

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

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

iv. **Impairment of financial assets**

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

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

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

v. **Derecognition of financial assets**

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or

- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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

vi. **Income recognition:**

Interest income

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

Dividends

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

s. **Financial liabilities and equity instruments**

i. **Classification as debt or equity**

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

ii. **Initial recognition and measurement**

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

iii. **Subsequent measurement**

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

iv. **Derecognition**

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

t. **Offsetting financial instruments**

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

u. **Derivative instruments**

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

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

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

v. **Borrowings**

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

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

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

w. **Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required

to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

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

x. Provisions and contingent liabilities

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

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

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

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

y. Employee benefits

i. Short-term employee benefits

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

ii. Other Long-term employee benefits

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

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

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

iii. Post-employment obligations

Defined Benefits plan

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

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

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

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

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

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

Defined contribution plan

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

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

iv. Share based payments

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

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

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

z. Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing:

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

ii. Diluted earnings per share

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

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

z1. Exceptional Items

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

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

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

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

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

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

Accordingly the Group has disclosed loss arising out of impairment of inventory, trade receivables and property plant and equipment as loss arising out of exceptional items [Refer Note 34(b)].

aa. Cash flow statement

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

bb. Operating cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

cc. Exceptional Items

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

Para 85 states that additional line items, headings and subtotals in the statement of profit and loss shall be presented, when

such presentation is relevant to an understanding of the entity's financial performance.

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

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

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

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

dd. Rounding of amounts

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

2.1 Critical estimates and judgements

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

The areas involving critical estimates or judgements are:

- a. Estimation of useful life of Property, plant and equipment: Note 1 (i)
- b. Estimation of defined benefit obligation: Note 40
- c. Estimation of fair value of level 3 financial instruments - Note 36
- d. Contingent Liabilities- Note 42

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

2.2 Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 3(a) - Property, plant and equipment

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Leasehold improvements	Railway sidings	Total
<i>Year ended March 31, 2019</i>									
Gross carrying amount	46.33	3,018.11	31,110.91	617.10	323.09	526.48	149.00	0.13	35,791.15
Additions	-	421.29	1,143.44	114.72	20.08	23.58	-	-	1,723.11
Disposals	-	-	(213.72)	(148.96)	(64.01)	(7.11)	-	-	(433.80)
Transfer to assets held for sale [Refer Note (v) below]	(3.18)	-	(19,799.32)	(264.21)	-	(61.63)	-	-	(20,128.34)
Transfers to Investment Properties (Refer Note 4)	(32.51)	-	-	-	-	-	-	-	(32.51)
Closing gross carrying amount	10.64	3,439.40	12,241.31	318.65	279.16	481.32	149.00	0.13	16,919.61
Accumulated depreciation									
Opening accumulated depreciation	-	211.56	6,051.41	115.67	87.48	168.50	60.52	-	6,695.14
Depreciation charge during the year	-	113.08	3,142.96	62.30	47.64	111.71	30.26	-	3,507.95
Disposals	-	-	(42.51)	(8.10)	(24.52)	(5.09)	-	-	(80.22)
Transfer to assets held for sale [Refer Note (v) below]	-	-	(6,290.06)	(77.52)	-	(45.89)	-	-	(6,413.47)
Closing accumulated depreciation	-	324.64	2,861.80	92.35	110.60	229.23	90.78	-	3,709.40
Net carrying amount	10.64	3,114.76	9,379.51	226.30	168.56	252.09	58.22	0.13	13,210.21
Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Leasehold improvements	Railway sidings	Total
<i>Year ended March 31, 2020</i>									
Gross carrying amount	10.64	3,439.40	12,241.31	318.65	279.16	481.32	149.00	0.13	16,919.61
Additions	-	-	47.12	16.69	-	6.30	-	-	70.11
Transfer from Asset held for Sale (Refer Note 17)	-	-	1,440.00	2.21	-	-	-	-	1,442.21
Transfers	(0.04)	-	-	-	-	-	-	-	(0.04)
Disposals	-	(8.60)	(112.92)	(0.06)	(76.54)	(0.05)	-	-	(198.17)
Closing gross carrying amount	10.60	3,430.80	13,615.51	337.49	202.62	487.57	149.00	0.13	18,233.72
Accumulated depreciation									
Opening accumulated depreciation	-	324.64	2,861.80	92.35	110.60	229.23	90.78	-	3,709.40
Depreciation charge during the year	-	151.42	1,097.07	33.76	40.55	92.62	37.09	-	1,452.51
Transfers	-	-	-	-	-	-	-	-	-
Disposals	-	(1.73)	(51.81)	-	(29.40)	-	-	-	(82.94)
Closing accumulated depreciation	-	474.33	3,907.06	126.11	121.75	321.85	127.87	-	5,078.97
Net carrying amount	10.60	2,956.47	9,708.45	211.38	80.87	165.72	21.13	0.13	13,154.75

Notes:

- Refer to Note 47 for information on property, plant and equipment pledged as security by the Group.
- Refer to note 43 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Building includes NIL (As at March 31, 2019: ₹ 12.86 lakhs) being the cost of ownership premises in a co-operative society, including cost of shares received for the face value of ₹ 2,500/- under the bye laws of the society.
- Refer Note 21, Note 26 and Note 46 for government grant related to property, plant and equipment.
- Net Block of NIL (As at March 31, 2019 - ₹ 13,711.69 lakhs) is transferred to assets held for sale [Refer Note 17 and 34(b)]

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 3(b) - Right of Use assets and Lease Liabilities

(i) Right of Use Assets		
Description	Premises	Total
I. Gross Block		
Balance as at March 31, 2019	-	-
Addition on account of Transition to Ind AS 116 – April 1, 2019	239.63	239.63
Disposals/Adjustments	-	-
Balance as at March 31, 2020	239.63	239.63
II. Accumulated depreciation		
Balance as at March 31, 2019	-	-
Depreciation expense for the year	172.80	172.80
Disposals/Adjustments	-	-
Balance as at March 31, 2020	172.80	172.80
Net block (I-II)		
Balance as at March 31, 2020	66.83	66.83
(ii) - Lease Liabilities		
Description	As at March 31, 2020	As at March 31, 2019
Lease Liabilities		
Current	74.20	-
Total	74.20	-

Notes:-

The Group has adopted Ind AS 116 effective 1st April, 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (April 1, 2019). Accordingly, previous year information has not been restated. This has resulted in recognising a right-of-use asset of ₹ 239.63 lakhs and a corresponding lease liability of ₹ 239.63 lakhs. In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous year is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share. The weighted average incremental borrowing rate of 14% p.a. has been applied to lease liabilities recognised in the balance sheet at the date of initial application. This note provides information for leases where the Group is a lessee. For leases, where the Group is a lessor, refer note 4.

Note 4 - Investment Properties

Particulars	As at March 31, 2020	As at March 31, 2019
Gross carrying amount		
Gross carrying amount	298.86	266.35
Transfer from Property, plant and equipment (Refer Note 3)	-	32.51
Transfer to Assets Held for Sale (Refer Note 17)	(16.26)	-
Disposals	(16.42)	-
Closing gross carrying amount	266.18	298.86
Accumulated depreciation		
Opening accumulated depreciation	11.64	7.76
Depreciation charge for the year	3.88	3.88
Disposals	(0.02)	-
Closing accumulated depreciation	15.50	11.64
Net carrying amount	250.68	287.22

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

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

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

Particulars	As at March 31, 2020	As at March 31, 2019
Income from investment property [Refer note 28 (a)]	1,269.80	1,357.24
Direct operating expenses towards income from investment property that generated income	(1,023.71)	(909.90)
Profit from investment properties before depreciation	246.09	447.34
Depreciation	(3.88)	(3.88)
Profit from investment properties	242.21	443.46

(iv) **Leasing arrangements**

a) **Operating Leases**

The Group has given certain investment properties on operating lease. These lease arrangements range for a period between eleven to sixty months and include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms. With respect to non cancellable operating lease, the future minimum lease payment as at Balance Sheet date is as under (Refer Note 43):

Particulars	As at March 31, 2020	As at March 31, 2019
Within one year	214.37	103.51
Later than one year but not later than five years	17.09	45.11
Total	231.46	148.62

b) **Finance leases**

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

(v) **Fair value of investment properties**

Particulars	As at March 31, 2020	As at March 31, 2019
Investment properties	13,104.38	12,831.73

Estimation of fair value

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

(vi) The Group is in the process of getting expired lease renewed in respect of Lower Parel Land.

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Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 5 - Intangible assets

Particulars	As at March 31, 2020	As at March 31, 2019
Gross carrying amount		
Gross carrying amount	559.89	554.75
Additions	72.98	5.14
Closing gross carrying amount	632.87	559.89
Accumulated amortisation		
Opening accumulated amortisation	197.74	113.91
Amortisation during the year	88.79	83.83
Closing accumulated amortisation	286.53	197.74
Net carrying amount*	346.34	362.15

* The computer software are other than internally generated.

(i) *Intangible Assets under development*

Intangible assets under development includes NIL as at March 31, 2020 (March 31, 2019- ₹ 61.98), towards development of accounting software.

Note 6 - Non-current investments

Particulars	As at March 31, 2020	As at March 31, 2019
(A) Investment in equity instruments (fully paid)		
(a) Other Companies measured at FVOCI		
<i>Quoted</i>		
79,920 (March 31, 2019 : 79,920) Equity shares of ₹ 10/- each of Stanrose Mafatlal Investments and Finance Limited	48.50	77.36
83,700 (March 31, 2019 : 83,700) Equity shares of ₹ 10/- each of Mangal Credit & Fincorp Limited	27.75	44.28
9,600 (March 31, 2019 : 9,600) Equity shares of ₹ 2/- each of Ultramarine and Pigments Limited	13.57	25.22
25,259,059 (March 31, 2019 : 25,259,059) Equity shares of ₹ 10/- each of NOCIL Limited \$\$	16,620.46	37,168.70
20 (March 31, 2019 : 20) Equity shares of ₹ 1/- each of Integra Engineering India Ltd	0.01	0.01
100 (March 31, 2019 : 100) Equity shares of ₹ 10/- each of Bank of India.	0.09	0.16
<i>Unquoted</i>		
45,000 (March 31, 2019 : 45,000) Equity shares of ₹ 10/- each of Cama Hotels Limited	@	@
1,600 (March 31, 2019: 1,600) Equity shares of ₹ 10/- each of Hybrid Financial Services Limited\$**	@	@
116 (March 31, 2019 : 116) Equity shares of ₹ 10/- each of Anil Bioplus Limited (formerly known as Anil Biochem Limited)	@	@
1,240,000 (March 31, 2019 : 1,240,000) Equity shares of ₹ 10/- each of Mafatlal Global Apparel Limited	@	@
13,350 (March 31, 2019 : 13,350) Equity shares of ₹ 10/- each of Matcon Export Enterprises Limited	@	@
2,320 (March 31, 2019: 2,320) Equity shares of ₹ 10/- each of Anil Limited (formerly known as Anil Products Limited)	@	@

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
100 (March 31, 2019 : 100) Equity shares of ₹ 10/- each of Arlabs Limited	@	@
15,000 (March 31, 2019 : 15,000) Equity shares of ₹ 10/- each of Cellulose Products of India Limited	@	@
10 (March 31, 2019: 10) Equity shares of ₹ 25/- each of Universal Dyestuff Industries Limited	@	@
5,870 (March 31, 2019 : 5,870) Equity shares of ₹ 100/- each of SLM Maneklal Industries Limited	@	@
30,000 (March 31, 2019 : 30,000) Equity shares of ₹ 10/- each of Mafatlal Medical Devices Limited	@	@
62,500 (March 31, 2019: 62,500) Equity shares of ₹ 100/- each of Janata Sahakari Bank Limited####	62.50	62.50
100 (March 31, 2019 : 100) Equity shares of ₹ 25/- each of Shamrao Vithal Co-Operative Bank Limited####	0.03	0.03
5 (March 31, 2019 : 5) Shares of ₹ 50/- each of Sea- Face Park Co-op Housing Society Limited	@	@
<i>Unquoted</i>		
146,364 (March 31, 2019 : 146,364) Equity shares of ₹ 100/- each of Mafatlal Engineering Industries Ltd###	@	@
23,700 (March 31, 2019 : 23,700) Equity shares of ₹ 10/-each of Mafatlal Ltd, UK.##	@	@
(B) Investments in Government securities		
<i>Unquoted - At amortised cost</i>		
Government securities (Face value of ₹ 2.89 lakhs) have been lodged with various authorities	2.89	2.89
(C) Investment in debentures and bonds		
<i>Unquoted - At amortised cost</i>		
165,000 (March 31, 2019 : 165,000)10% Secured Redeemable Convertible Debentures of Mafatlal Engineering Industries Ltd ##	@	@
2,050 (March 31, 2019 : 2,050)Corporate Bonds of Housing Development Finance Corporation Limited:11 % - Series IV #	-	-
Total	16,775.80	37,381.15

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

\$\$ 66,71,062 (Previous year 90,21,062) Equity Shares pledged with banks. Refer Note 47 for Assets pledged

** Not available for physical verification

1,050 nos. - Not available for physical verification.

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

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

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

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

@@ Under liquidation

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Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 7 - Current investments

Particulars	As at March 31, 2020	As at March 31, 2019
21,156.891 Units (March 31, 2019:- NIL) of Aditya Birla Sunlife Liquid Fund - Instalment Premium-Growth	65.00	-
Total	65.00	-
Total Investments		
Aggregate amount of quoted investments and market value thereof	16,775.38	37,315.73
Aggregate amount of unquoted investments	65.42	65.42
Aggregate amount of impairment in the value of investments	-	-
	16,840.80	37,381.15

Note 8 - Non-current loans

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Unsecured, Considered good</i>		
Security deposits	480.63	471.19
Others	0.55	0.55
Total	481.18	471.74

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

Note 9 - Other non-current financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Deposits with banks (with maturity period of more than 12 months)		
(i) Deposits with Banks	72.42	63.32
(ii) Balances held as security/margin money *	421.85	225.32
(iii) Balances with Banks in earmarked accounts**	72.47	382.99
Total	566.74	671.63

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

**Balance of ₹ 72.47 lakhs (March 31, 2019- NIL) is with a financial institution.

Note 10 - Other non-current assets

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Unsecured, Considered good</i>		
Capital advances	18.03	9.22
Deposits with government authorities	69.67	398.61
Lease rent/utilities equalisation of income	6.49	90.39
<i>Unsecured, considered doubtful</i>		
Balances with government authorities	0.79	31.45
Less: Provision for doubtful advance	(0.79)	(31.45)
Total	94.19	498.22

Note 11 - Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials	248.27	1,126.65
Work-in-progress	3,572.58	3,953.85
Finished goods	4,732.14	3,406.60
Stock-in-trade [Includes goods in transit NIL (March 2019; 256.46 lakhs)]	1,328.13	1,383.07
Stores and spares	723.99	564.40
Others (Land) [Refer Note 51 (ii)]	0.58	61.97
Total	10,605.69	10,496.54

Amounts recognised in the Statement of Profit and Loss

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

Write-downs of inventories to net realisable value amounted to ₹ 778.07 lakhs (March 31, 2019 – ₹ 2,195.74 lakhs), out of which ₹ 582.77 lakhs transfer to exceptional items (March 31, 2019 - ₹ 1,768.90 lakhs) which is disclosed in note 34(b). Remaining amounts were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in Statement of Profit and Loss.

Note 12(a) Non-current Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables (unsecured, considered good)	33.20	33.20
Total Trade Receivables	33.20	33.20

Note 12(b) Current- Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	25,994.27	20,330.20
Receivables from related parties (Refer Note 41)	0.66	4.02
Less: Allowance for doubtful debts (Refer Note 38)	(524.77)	(382.80)
Less : Allowance for doubtful debts [Refer Note 34 (b)]	-	(388.62)
Total receivables	25,470.16	19,562.80
<i>Unsecured, considered good</i>	25,470.16	19,562.80
Doubtful	524.77	771.42
Less: Allowance for doubtful debts	(524.77)	(771.42)
Total Trade Receivables	25,470.16	19,562.80

Break up of security details

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables considered good- Secured	-	-
Trade receivables considered good- Unsecured	25,994.93	20,334.22
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Total	25,994.93	20,334.22
Loss allowance	(524.77)	(771.42)
Total trade receivables	25,470.16	19,562.80

Transferred receivables

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

The relevant carrying amounts are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Total transferred receivables	138.45	372.48
Associated secured borrowings (Refer Note 22)	(138.45)	(372.48)
	-	-

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

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Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 13 - Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	12.26	14.57
Balances with banks:		
(i) In Current accounts	2,582.54	955.45
(ii) In Deposit accounts (with less than 3 months original maturity)	102.46	50.00
Total	2,697.26	1,020.02

Note 14 - Other bank balances

Particulars	As at March 31, 2020	As at March 31, 2019
Deposits with original maturity of more than 3 months but less than 12 months	7.00	7.44
In earmarked accounts		
(i) Balances held as margin money or security against borrowings, guarantees and other commitments	720.29	673.97
(ii) Unclaimed dividend accounts	35.24	35.29
Others		
(i) Balance in Fixed Deposits	127.08	163.30
(ii) Balance in Escrow Current accounts (Refer Note below)	1.87	27.46
Total	891.48	907.46

Note:

Balance in Escrow Current account of ₹ 1.87 lakhs (March 31, 2019 ₹ 1.87 lakhs) is operated under the supervision of Monitoring Committee constituted by the Government of Maharashtra, under Development Control Regulations, 1991. Balance of NIL (March 31, 2019 - ₹ 25.59 lakhs) is with a financial institution.

Note 15 - Current loan

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Unsecured, considered good</i>		
Loans to employees	6.08	4.16
Security Deposits	607.80	324.54
Government Grant Receivable	82.72	114.88
Total	696.60	443.58

Note 16 - Other current assets

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Unsecured, considered good</i>		
Prepaid expenses	273.39	259.76
Balances with government authorities		
(i) Export and Modvat Benefit receivable	478.19	593.84
(ii) Goods and service tax receivables	2,250.52	2,339.56
(iii) Interest subsidy receivable (TUFS)	87.66	191.00
Advance to Suppliers	927.15	802.49
Others	25.52	82.89
Total	4,042.43	4,269.54

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 17 - Assets held for sale

Particulars	As at March 31, 2020	As at March 31, 2019
Assets classified as held for sale		
- Plant and Machinery (Refer Note below)	2,457.21	7,850.09
- Land (includes land transferred from Assets held for sale - Refer Note 4)	19.44	3.18
Total	2,476.65	7,853.27

Note:

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

Note 18 - Share capital and other equity

18(a) - Equity share capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount (₹ In lakhs)	Number of shares	Amount (₹ In lakhs)
(i) Authorised				
Equity shares of ₹10/- each with voting rights	14,245,081	1,424.51	14,245,081	1,424.51
Unclassified Shares of ₹10 each	85,754,919	8,575.49	85,754,919	8,575.49
Total	100,000,000	10,000.00	100,000,000	10,000.00
(ii) Issued				
Equity shares of ₹10/- each with voting rights	13,912,886	1,391.28	13,912,886	1,391.28
(iii) Subscribed and fully paid up				
Equity shares of ₹10/- each with voting rights	13,912,886	1,391.28	13,912,886	1,391.28
Less: Allotment money/ Calls in arrears	-	(0.06)	-	(0.06)
Total	13,912,886	1,391.22	13,912,886	1,391.22

(1) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Number of shares	Share capital (₹ In lakhs) (Par value)
Balance as at April 1, 2018	13,912,886	1,391.22
Issued during the year	-	-
Balance as at March 31, 2019	13,912,886	1,391.22
Issued during the year	-	-
Balance as at March 31, 2020	13,912,886	1,391.22

(2) Terms & rights attached to Equity shares:

The Group has issued only one class of equity shares having a par value of ₹ 10/- per share. Every holder of equity shares is entitled to one vote per share held. The Group declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts in proportion to their shareholding.

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% Holding	Number of shares	% Holding
H. A. Mafatlal	2,673,046	19.21%	3,176,150	22.83%
NOCIL Limited	1,954,695	14.05%	1,954,695	14.05%
Suremi Trading Private Limited	-	-	3,093,047	22.23%
Sumil Holdings Private Limited*	3,118,326	22.41%	-	-
Rekha H. Mafatlal	1,307,387	9.40%	804,283	5.78%

*Holding as at March 31, 2019 is less than 5%.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

(4) Aggregate number of shares issued for consideration other than cash

- (i) During the year 2013-14, 4,099,415 Equity shares of ₹ 10/- each fully paid-up have been issued to shareholders of erstwhile Mafatlal Denim Limited, as consideration on merger with the Group.

- (ii) Shares reserved for issue under options

Information relating to Mafatlal Industries Limited Employee Option Plan, including details of options issued, granted, vested and exercised during the financial year and options outstanding at the end of the reporting period, is set out in Note 37.

(5) Calls unpaid (by other than officers and directors)

Particulars	As at March 31, 2020	As at March 31, 2019
Calls Unpaid	0.06	0.06

- (6) During 1987-88, 535,000 shares (of ₹ 100/- each) were allotted on rights basis subject to the result of suit nos. 3,181 and 3,182 of 1987 filed by three shareholders against the Group and Others in the Ahmedabad City Civil Court. The suits are pending disposal.

18(b) - Reserves and surplus

Particulars	As at March 31, 2020	As at March 31, 2019
Securities premium	17,452.07	17,452.07
Retained earnings	(16,092.12)	(14,431.07)
General Reserve	620.00	620.00
Capital Reserve No.1	61.16	61.16
Capital Reserve No. 2	35.00	35.00
Capital Reserve on Amalgamation	3,634.48	3,634.48
Capital Redemption Reserve	8,383.14	8,383.14
Capital Investment Reserve	75.96	75.96
Investment Reserve	1.78	1.78
ESOP Reserve	72.18	48.87
Export Profit Reserve	20.00	20.00
Other Reserves:		
FVOCI - Equity instruments	12,807.95	33,413.30
Total	27,071.60	49,314.69

(i) Securities Premium

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

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	17,452.07	17,452.07
Add:- Movement during the year	-	-
Balance at the end of the year	17,452.07	17,452.07

(ii) Retained earnings

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	(14,431.07)	3,726.22
Less : Loss for the year	(1,370.80)	(18,007.04)
Other comprehensive income	(290.25)	(150.25)
Balance at the end of the year	(16,092.12)	(14,431.07)

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

(iii) General Reserve

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	620.00	620.00
Add:- Movement during the year	-	-
Balance at the end of the year	620.00	620.00

(iv) Capital Reserve No.1

Capital reserve is to be utilised in accordance with provision of the Act.

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	61.16	61.16
Add:- Movement during the year	-	-
Balance at the end of the year	61.16	61.16

(v) Capital Reserve No. 2

The reserve has arisen out of State Government subsidy received by the Group and is separately maintained as per the provisions of the Act.

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	35.00	35.00
Add:- Movement during the year	-	-
Balance at the end of the year	35.00	35.00

(vi) Capital Reserve on Amalgamation

The said reserve has arisen out of amalgamation with 'Mafatlal Denim Limited'

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	3,634.48	3,634.48
Add:- Movement during the year	-	-
Balance at the end of the year	3,634.48	3,634.48

(vii) Capital Redemption Reserve

It represents reserve created during buy back of Equity Shares, preference shares and it is a non-distributable reserve.

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	8,383.14	8,383.14
Add:- Movement during the year	-	-
Balance at the end of the year	8,383.14	8,383.14

(viii) Capital Investment Reserve

The said reserve has arisen out of excess of non taxable sales proceeds over the book values.

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	75.96	75.96
Add:- Movement during the year	-	-
Balance at the end of the year	75.96	75.96

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

(ix) *Investment Reserve*

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

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	1.78	1.78
Add:- Movement during the year	-	-
Balance at the end of the year	1.78	1.78

(x) *ESOP Reserve*

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

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	48.87	17.93
Add:- Movement during the year	23.31	30.94
Balance at the end of the year	72.18	48.87

(xi) *Export Profit Reserve*

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

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	20.00	20.00
Add:- Movement during the year	-	-
Balance at the end of the year	20.00	20.00

(xii) *FVOCI - Equity instruments*

The Group fair values certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve.

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	33,413.30	44,428.43
Add:- Change in fair value of FVOCI equity instruments	(20,605.35)	(11,015.13)
Balance at the end of the year	12,807.95	33,413.30

Note 19 - Non- current borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
Term Loans		
(a) From banks [Refer Note no.(i), (ii), (iii) and (iv) below]	1,745.47	4,419.80
(b) For vehicle loans [Refer Note no.(v) below]	13.14	40.55
(c) From financial institutions [Refer Note no.(vi), (vii) and (viii) below]	4,480.63	1,173.39
Total	6,239.24	5,633.74

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

(i) Term loan from a Bank, amounting to NIL (March 31, 2019 ₹ 2,638.89 lakhs) is secured by mortgage of a portion of land near Navsari Plant and exclusive first charge on Fixed Assets acquired out of the said loan from Bank at Navsari Plant.	Repayable in 20 quarterly installments beginning from June 2017 till March 2022 after a moratorium period of 15 months. The loan carry interest linked to the lender's MCLR. The rate of interest for the year was @ 16.65% p.a. (March 31, 2019 12.05% to 16.65% p.a.)
(ii) Term loan from a Bank, amounting to ₹ 747.14 lakhs (March 31, 2019 ₹ 1,202.06 lakhs) is secured by mortgage of an immovable asset (building) measuring 343.28 sq. mtrs. of Mafatlal Chambers at Mumbai and exclusive first charge on Fixed Assets acquired out of the said loan from Bank at Navsari Plant and pledge over 5,10,000 shares of NOCIL Limited.	Repayable in 60 installments beginning from September 2016 till November 2021 after a moratorium period of 24 months. The rate of interest for the year was @ 12.65 % p.a. (March 31, 2019 12.50% to 12.65% p.a.)
(iii) Term loan from a Bank, amounting to ₹ 863.44 lakhs (March 31, 2019 ₹ 1,348.26 lakhs) is secured by mortgage of an immovable asset (land and building) at Nadiad and exclusive first charge on Fixed Assets acquired out of the said loan from Bank at Nadiad Plant and second charge on certain stock and book debts of the Company.	The rate of interest for the year was @ 13.25% p.a. (March 31, 2019 12.50% to 13.25 % p.a.). Repayable in 60 installments beginning from December 2016 till March 2022.
(iv) Term loan from a Bank, amounting to ₹ 1,126.04 lakhs (March 31, 2019 ₹ 1,279.72 lakhs) is secured by mortgage of an immovable asset (land and building) measuring 724.64 sq. mtrs. of Mafatlal House at Mumbai.	Repayable in 108 installments beginning from July 2016 till May 2025. The rate of interest for the year was 10.65 % p.a. (March 31, 2019 10.20% p.a.)
(v) Loans from a Bank, amounting to ₹ 25.97 lakhs (March 31, 2019 ₹ 77.17 lakhs) for Vehicles is secured by hypothecation of respective vehicles.	Repayable in monthly installments and the rate of interest for the year was in the range of 8.40% to 10.00% p.a. (Previous year 10.50% to 11.00% p.a.)
(vi) Term loan from a financial institution, amounting to ₹ 537.01 lakhs (March 31, 2019 ₹ 837.01 lakhs) is secured by mortgage of an immovable asset (land and building) at Nadiad and exclusive first charge on Fixed Assets acquired out of the said loan from Financial institution at Nadiad Plant.	Repayable in 20 quarterly installments beginning from June 2017 till March 2022 after a moratorium period of 12 months. The rate of interest for the year was in the range of 11.60 % to 11.80 % p.a. (March 31, 2019 11.30% to 11.80% p.a.)
(vii) Term loan from a financial institution, amounting to ₹ 991.50 lakhs (March 31, 2019 - ₹ 926.38 lakhs) is secured by charge on movable fixed assets acquired out of said loan, charge by way of mortgage over immovable assets (land & building) measuring 253.81 sq. mtrs. of Mafatlal House at Mumbai, pledge over 491,062 shares of NOCIL Limited, and pledge by promoters / promoter companies of certain shareholding in the Company and a lien on term deposit. (Also Refer Note 9)	Repayable in 20 quarterly installments beginning from June 2019 till March 2024 after a moratorium period of 18 months. The rate of interest for the year was in the range of 11.40 % to 11.60 % p.a. (March 31, 2019 11.30% to 11.60% p.a.)
(viii) Term loan from a Non-Banking Financial Institution, amounting to ₹ 3,500.00 lakhs (March 31, 2019 - NIL) is secured exclusive by mortgage of an immovable asset (land and building) measuring 2,225.03 sq. mtrs. of Mafatlal House at Mumbai.	Repayable in part / full till June 2021. The rate of interest for the year was 14.00% p.a.

The amounts mentioned include installments falling due within a year aggregating to ₹ 1,551.86 lakhs (March 31, 2019: ₹ 2,675.75 lakhs) have been grouped under "Current maturities of long-term debt" [Refer Note 24].

* Rate of Interest is without considering interest subsidy as per Central and State Government TUF Schemes.

For Liquidity risk information, Refer Note 38.

Note 20 - Other non-current financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Trade / Security deposits	317.56	307.18
Interest accrued on others [Refer Note 51 (i)]	283.82	283.82
Other Advances	4.79	4.79
Total	606.17	595.79

Note 21 - Other non-current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Income on Government Grant (Refer Note 46)	401.49	544.16
Total	401.49	544.16

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(All amounts in ₹ Lakhs, unless stated otherwise)

Note 22 - Current borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
Loans repayable on demand		
From banks		
Cash credit*	7,045.07	10,065.19
Factored receivables (Refer Note 12)	138.45	372.48
From financial institution		
Working capital loan	-	1,950.00
Total	7,183.52	12,387.67

* Cash credit facility are secured by hypothecation of certain stocks and book debts, both present and future, of the Group, second charge on certain fixed assets of the Group and pledge of 56,70,000 equity shares of NOCIL held by the Group. The cash credit is repayable on demand and carry an interest @ 12.65% to 14.50% p.a. (Previous year 10.15% to 14.00% p.a.).

Refer Note 47 for Assets pledged as security.

Note 23 - Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises; and	470.41	44.96
Total outstanding dues of creditors other than micro enterprises and small enterprises	30,928.35	21,438.72
Total	31,398.76	21,483.68

Dues to Micro and Small Enterprises:

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	360.70	8.79
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	109.71	36.17
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1,444.48	698.81
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	73.54	24.22
Further interest remaining due and payable for earlier years	36.17	11.95

Note 24 - Other current financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term debt (Refer Note 19)		
(i) From banks	991.15	2,049.13
(ii) For vehicle loans	12.83	36.62
(iii) From financial institutions	547.88	590.00
Other advances [Refer Note 51(i)]	577.89	577.89
Interest accrued but not due on borrowings	39.35	89.31
Unclaimed dividends*	35.24	35.29
Trade payables for capital assets	-	49.33
Total	2,204.34	3,427.57

*There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

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(All amounts in ₹ Lakhs, unless stated otherwise)

Note 25 - Current provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits:		
(i) Provision for Compensated absences (Refer Note 40)	592.63	583.50
(ii) Provision for Gratuity (Refer Note 40)	710.33	343.30
Other Provisions:		
(i) Provision for Fringe Benefit Tax [net of advance tax ₹ 39.05 lakhs (As at March 31, 2019 ₹ 39.05 lakhs)]	0.40	0.40
(ii) Provision for Wealth Tax (net)	0.11	0.11
Total	1,303.47	927.31

Note 26 - Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Payment towards Statutory liabilities	153.96	570.00
Contractual liabilities	392.64	526.48
Employee Benefits Payable	579.25	2,056.55
Lease rent / utilities equalisation on expense	-	109.38
Deferred Income on Government Grant (Refer Note 46)	130.18	142.48
Others	224.93	156.30
Total	1,480.96	3,561.19

Note 27 - Revenue from operations

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of products	99,797.99	101,723.93
Other operating revenues		
Income from waste / scrap sale	495.74	331.94
Processing income	7.68	-
Duty drawback and other export incentives	251.53	329.49
Total revenue from operations	100,552.94	102,385.36

Note 28(a) - Other income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income on financial assets at amortised cost	156.37	174.21
Interest income on income tax refund	9.69	32.69
Rental income from investment property	406.04	519.60
Utility / business service / air-conditioning charges and other receipts in respect of investment property	863.76	837.64
Dividend income from equity investments designated at fair value through other comprehensive income *	1,271.58	655.82
Apportioned income from government grant #	122.80	487.60
Miscellaneous income	420.66	85.29
Total	3,250.90	2,792.85

* All dividends from equity investments which are designated at FVOCI relate to the investments held at the end of the reporting period.

Government grants have been received for investment in certain items of property, plant and equipment. There are no unfulfilled conditions or other contingencies attaching to these grants as at March 31, 2020. (Refer Note 46)

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(All amounts in ₹ Lakhs, unless stated otherwise)

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net gain on disposal of property, plant and equipment (Refer Note 3)	2,288.37	157.03
Net foreign exchange differences	138.11	140.45
Total	2,426.48	297.48

Note 29 - Cost of materials consumed

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Raw materials consumed	29,157.59	33,112.92
Less : Transfer to exceptional items [Refer Note 34(b)]	-	(486.82)
Total	29,157.59	32,626.10

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Inventories at the end of the year		
Finished goods	4,732.14	3,406.60
Work-in-progress	3,572.58	3,953.85
Stock-in-trade (Traded goods)	1,328.13	1,383.07
Inventories at the beginning of the year		
Finished goods	3,406.60	5,020.68
Work-in-progress	3,953.85	6,339.20
Stock-in-trade (Traded goods)	1,383.07	2,128.47
	(889.33)	4,744.83
Less : Transfer to exceptional items [Refer Note 34 (b)]	(582.77)	(921.69)
Total	(1,472.10)	3,823.14

Note 31 - Employee benefits expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	7,981.60	10,833.43
Contributions to provident and other funds	464.70	622.76
Gratuity expenses (Refer Note 40)	150.97	186.15
Staff welfare expenses	235.78	383.76
Employee share-based payment expense (Refer Note 37)	23.31	30.94
Total	8,856.36	12,057.04

Note 32 - Finance costs (Net)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense on :-		
Borrowings [Refer Note (a) and (b) below]	2,567.42	2,533.47
Trade payables	364.20	295.90
Lease Liabilities	21.03	-
Others	190.64	189.49
Total	3,143.29	3,018.86

Note (a):

The interest subsidy for the year on the Term Loans availed under the Technology Upgradation Fund Scheme (TUFS) is ₹ 20.53 lakhs (March 31, 2019 ₹ 89.03 lakhs) and the same has been netted off from interest expense.

Note (b):

Finance costs are net of interest of NIL (March 31, 2019 ₹ 97.76 lakhs) capitalised in fixed assets.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 33 - Depreciation and amortisation expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on property, plant and equipment and right-to-use assets [Refer Note 3(a) and 3 (b)]	1,625.31	3,507.95
Amortisation on intangible assets (Refer Note 5)	88.79	83.83
Depreciation on investment property (Refer Note 4)	3.88	3.88
Total	1,717.98	3,595.66

Note 34 - Other expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of stores and spare parts	4,100.03	6,822.35
Processing charges	1,284.55	2,048.77
Power and fuel	4,483.44	7,723.95
Repairs and maintenance - Buildings	72.68	71.54
Repairs and maintenance - Machinery	125.85	199.72
Repairs and maintenance - Others	46.81	78.71
Insurance	122.36	122.16
Lease rent [Refer Note 43(b)]	44.63	306.92
Rates and taxes	157.56	142.54
Transport and freight charges (net)	464.40	724.98
Donations and charities	0.23	1.21
Bad trade and other receivables / loans and advances written off (net)	7.00	2.35
Provision for doubtful trade receivables and loans & advances (net)	117.39	224.11
Legal and professional fees	437.32	867.34
Payments to auditors [Refer Note 34(a)]	55.03	53.32
Directors' fees [Refer Note 41]	53.20	58.10
Miscellaneous expenses	2,399.76	3,081.64
Total	13,972.24	22,529.71

Note 34 (a) - Details of payment to auditors

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Payment to the auditors		
As auditor:-		
Statutory Audit fees	35.25	35.15
Limited review	15.00	15.00
Certification services	3.50	2.00
Re-imbursement of expenses	1.28	1.17
Total	55.03	53.32

Note 34 (b) - Exceptional items

Consequent to strategic initiatives undertaken by the Company to substantially scale down Navsari operations comprising of denim so as to improve its financial position, the Company had written-down / recognised provisions pertaining to carrying value of Property, Plant and Equipment (classified as held for sale), one-time employees liabilities and certain current / non-current assets of denim operations aggregating to ₹ 8,361.80 lakhs and disclosed the same as exceptional items for the year ended March 31, 2019.

In continuation of the same, in the year ended March 31, 2020, the Company has sold certain assets held for sale and inventories at Navsari. Manufacturing operations at Navsari comprising of denim has been closed. However, activities such as stock liquidation, collection of receivables and routine maintenance of plant are being carried on.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Property, Plant and Machinery [Net of All Associated cost]* (Refer Note 3)	600.85	3,925.43
Write-down of current assets / non-current assets [Includes inventories, select receivables and other assets (Refer Note 11 and 12)]	122.09	2,608.92
One-time employee liabilities	736.24	1,827.45
Total	1,459.18	8,361.80

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

Consequent to the above-mentioned initiatives undertaken by the Management, financial position for the year ended March 31, 2020 are not comparable with the previous year.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 35 - Taxation

35(a) - Income tax expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax	34.944%	34.944%
Current tax on (Loss) / Profits for the year	-	-
Total current tax expense	-	-
Deferred tax		
(Decrease)/increase in deferred tax assets	-	-
Decrease/(increase) in deferred tax liabilities	-	-
Total deferred tax expense/(credit)	-	-
Income tax expense	-	-

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Loss for the year	(1,335.93)	(18,007.04)
Statutory income tax rate applicable to Mafatlal Industries Limited	34.944%	34.944%
Tax expense at applicable tax rate	(466.83)	(6,292.38)
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income		
Expenses not deductible for tax purposes	(66.41)	(2,943.03)
Weighted deduction allowed	18.75	18.07
Exempt income	444.34	229.17
Tax losses for which no deferred tax recognised	(873.25)	(3,535.28)
Others	9.74	(61.31)
Income tax expense as per the Statement of Profit and Loss	-	-

35(c) - No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognised in Equity and not in Statement of Profit and Loss or Other Comprehensive Income.

35(d) - Deferred tax assets

The balance comprises temporary differences attributable to:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Provision for doubtful debts / advances (net)	183.38	-
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	1,266.62	-
Unabsorbed depreciation	2,199.88	3,828.66
Total deferred tax assets	3,649.88	3,828.66
Deferred Tax Liability		
On difference between book balance and tax balance of fixed assets	(2,421.92)	(2,600.70)
Total deferred tax assets	1,227.96	1,227.96

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

Movement in deferred tax (assets)/liabilities

Particulars	As at March 31, 2018	Charged/ (credited) to Profit and Loss	Charged/ (credited) to OCI	Year ended March 31, 2019
Provision for doubtful debts / advances (net)	73.91	(73.91)	-	-
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	421.61	(421.61)	-	-
Unabsorbed depreciation	4,848.56	(1,019.90)	-	3,828.66
Deferred Tax Asset Calculated on Indexed Cost of Acquisition of Immovable Property	2.61	(2.61)	-	-
On difference between book balance and tax balance of fixed assets	(4,124.36)	1,523.66	-	(2,600.70)
Others	5.63	(5.63)	-	-
Total deferred tax assets	1,227.96	-	-	1,227.96

Particulars	Year ended March 31, 2019	Charged/ (credited) to Profit and Loss	Charged/ (credited) to OCI	Year ended March 31, 2020
Provision for doubtful debts / advances (net)	-	183.38	-	183.38
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	-	1,266.62	-	1,266.62
Unabsorbed depreciation	3,828.66	(1,628.78)	-	2,199.88
On difference between book balance and tax balance of fixed assets	(2,600.70)	178.78	-	(2,421.92)
Total deferred tax assets	1,227.96	-	-	1,227.96

The Group has recognised the Deferred Tax Asset on unabsorbed depreciation of earlier years, provision for doubtful debts and disallowances under Section 35DDA, 40(a)(i) and 43B of the Income Tax Act, 1961. The Group has concluded that the deferred tax assets will be recoverable partially compensated by decrease in deferred tax liabilities and excess will be recovered using estimated future taxable income. Further, unabsorbed depreciation can be carried forward for infinite period as per tax regulations.

35(e) - Tax losses

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Short Term Capital Loss	455.93	455.93
Potential tax benefit @ 34.944% (a)	159.32	159.32
Long Term Capital Loss	1,777.44	2,076.15
Potential tax benefit @ 23.30% (b)	414.14	483.74
Unabsorbed brought forward depreciation / business losses	27,020.84	19,860.74
Potential tax benefit @ 34.944% (c)	9,442.16	6,940.14
Minimum Alternate Tax (d)	2,702.53	2,702.53
Total Potential tax benefit [(a)+(b)+(c)+(d)]	12,718.15	10,285.73

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

35(f) - Unrecognised temporary differences

The Group has not recognised deferred tax asset/(liability) associated with fair value gains on Equity instruments measured at FVOCI as based on the management projection of future taxable income and existing plan as it is not probable that such difference will reverse in the foreseeable future.

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35(g)-Income Tax asset (Net)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Income Tax asset [Net of Provision of Tax ₹ 12,160.69 lakhs, (March 31, 2019: ₹ 12,638.33 lakhs)]	1,701.46	1,831.26

35(h)-Current Tax Liabilities (Net)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax liabilities [Net of Advance Tax ₹ 801.77 lakhs, (March 31, 2019: ₹ 1,051.79 lakhs)]	141.24	290.16

Note 36 - Fair value measurements

Financial instruments by category

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments in Equity instruments	-	16,710.38	65.42	-	37,315.73	65.42
Investments in Mutual Funds	-	65.00	-	-	-	-
Cash and bank balances	-	-	3,588.74	-	-	1,927.48
Loans	-	-	89.35	-	-	119.59
Security deposits	-	-	1,088.43	-	-	795.73
Bank deposits with more than 12 months maturity	-	-	566.74	-	-	671.63
Trade receivables	-	-	25,503.36	-	-	19,596.00
Total financial assets	-	16,775.38	30,902.04	-	37,315.73	23,175.85
Financial liabilities						
Borrowings	-	-	14,974.62	-	-	20,697.16
Trade / Security deposits received	-	-	317.56	-	-	307.18
Trade payables	-	-	31,398.76	-	-	21,483.68
Trade payables for capital assets	-	-	-	-	-	49.33
Interest accrued but not due on borrowings	-	-	39.35	-	-	89.31
Interest accrued on others	-	-	283.82	-	-	283.82
Other advances	-	-	582.68	-	-	582.68
Unclaimed dividends	-	-	35.24	-	-	35.29
Lease liabilities	-	-	74.20	-	-	-
Total financial liabilities	-	-	47,706.23	-	-	43,528.45

Financial Asset and Liabilities measured at Fair Value - recurring fair value measurements	Level 1	Level 2	Total
As at March 31, 2020			
Quoted Equity investments measured at Fair value	16,775.38	-	16,775.38
As at March 31, 2019			
Quoted Equity investments measured at Fair value	37,315.73	-	37,315.73

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Financial Assets and Financial Liabilities measured at Amortised cost for which fair values are disclosed - Level 3	As at March 31, 2020		As at March 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
Assets				
Investments in Government securities	2.89	2.89	2.89	2.89
Investments in Unquoted Shares	62.53	62.53	62.53	62.53
Non-current Trade Receivables	33.20	33.20	33.20	33.20
Loans	0.55	0.55	0.55	0.55
Security deposits	480.63	480.63	471.19	471.19
Bank deposits with more than 12 months maturity	566.74	566.74	671.63	671.63
Liabilities				
Borrowings	6,239.24	6,239.24	5,633.74	5,633.74
Trade / Security deposits received	317.56	317.56	307.18	307.18
Other financial liabilities	283.82	283.82	283.82	283.82
Other advances	4.79	4.79	4.79	4.79

The carrying amounts of cash and bank balances, trade receivables, short term loans and security deposits given, trade payables, government grant receivable, payable for capital assets, short term borrowings and other current financial assets and liabilities are considered to be the same as their fair values due to their short-term nature. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair value.

Financial Assets and Financial Liabilities measured at fair values -Level 3	As at March 31, 2020	As at March 31, 2019
Assets		
Investments in Unquoted Shares - FVPL	-	-
Investments in Unquoted Shares - FVOCI	-	-

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard as follows:-

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

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

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

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of the other unquoted equity investments is determined based on the report of the valuer.
- the fair value of forward foreign exchange contracts is determined using foreign exchange rates at the Balance Sheet date.

(iii) Valuation processes

The finance department of the Group obtains assistance of independent and competent third party valuers to perform the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This expert reports to the financial risk management team and Chief Financial Officer (CFO). Discussion of valuation processes and results are held between the CFO and the valuation team at least once every three months, in line with the Group's quarterly reporting periods.

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

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- (a) Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- (b) Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk grading determined by the Group's internal credit risk management committee.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the financial risk management team, CFO and the valuation experts. As part of this discussion the team presents a report that explains the reason for the fair value movements.

Note 37 - Share Based Payments

(a) Employee option plan

The Mafatlal Employee Stock Option Scheme 2017 (ESOS 2017) of Mafatlal Industries Limited was approved by the Board of Directors of the Company at their meeting held on May 5, 2017 and finalised on August 10, 2017. At the Annual General Meeting held on August 2, 2017, the shareholders had approved the creation of employee stock option pool of 6,95,000 equity shares of face value of ₹ 10/- each fully paid up on such terms and such manner as the Board may decide in accordance with the provisions of applicable law and proposed Mafatlal Employee Stock Option Scheme 2017 (ESOS 2017). The Company intends to implement ESOS 2017 with a view to attract and retain key talents working with the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The Nomination & Remuneration Committee(NRC) will administer the ESOS 2017. On November 10, 2017 the NRC has granted 138,000 options with a progressive vesting to certain senior management employees and the vesting of options will be @15% on 1st Anniversary, 20% on 2nd Anniversary, 30% on 3rd Anniversary, 35% on 4th Anniversary, of grant date. Once vested the options remain exercisable for a period of four years.

In addition to the above, the Nomination & Remuneration Committee has at their meeting held on August 1, 2019 approved the grant of 318,000 employee stock options to certain management cadre employees of the Company under ESOS. The options will be vested after completion of one year from the date of grant i.e. August 1, 2020. Vested options are exercisable for a period of four years after vesting.

Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one equity share. The exercise price of the options is fair market price of the share as on date of grant of options.

Set out below is a summary of options granted under the plan

Particulars	As at March 31, 2020		As at March 31, 2019	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening Balance	-	72,000	-	128,000
Granted during the year	78.65	318,000	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	322.70	56,000
Closing Balance		390,000		72,000
Vested and exercised	-	-	-	-

No options expired during the periods covered in the above tables.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Vesting Date	Expiry Date	Exercise price (₹)	Share options March 31, 2020	Fair value of options (₹)
10-Nov-17	10-Nov-18	10-Nov-22	322.70	10,800	108.92
10-Nov-17	10-Nov-19	10-Nov-23	322.70	14,400	126.71
10-Nov-17	10-Nov-20	10-Nov-24	322.70	21,600	146.18
10-Nov-17	10-Nov-21	10-Nov-25	322.70	25,200	156.18
1-Aug-19	1-Aug-20	1-Aug-24	78.65	318,000	25.08
Total				390,000	

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(i) Fair Value of options granted

The weighted average fair value at grant date (November 10, 2017) of options granted during the year ended March 31, 2020 was ₹ 140.20 per option (March 31, 2019 - ₹ 140.20) and for the additional options, the weighted average fair value at grant date (August 1, 2019) of options granted during the year ended March 31, 2020 was ₹ 25.08 per option (March 31, 2019 - NIL). The fair value at grant date is determined using the Black and Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of option.

The model inputs for exisiting options during the year ended March 31, 2020 included:-

- (a) options are granted for no consideration and vest upon completion of service for a period of 1 - 4 years. Vested options are exercisable for a period of four years after vesting.
- (b) exercise price: ₹ 322.70
- (c) grant date: November 10, 2017
- (d) expiry date: November 10, 2022 - November 10, 2025
- (e) share price at grant date: ₹ 314.10
- (f) expected price volatility of the Company's shares: 48.32% - 51.99%
- (g) expected dividend yield: 1.69%
- (h) risk free interest rate: 6.51% - 6.91%

The expected price volatility is based on the historic volatility (based on the remaining life of the options) adjusted for any expected changes to future volatility due to publicly available information.

The model inputs for the additional options granted during the year ended March 31, 2020 included:-

- (a) options are granted for no consideration and vest upon completion of service for a period of one year. Vested options are exercisable for a period of four years after vesting.
- (b) exercise price: ₹ 78.65
- (c) grant date: August 1, 2019
- (d) expiry date: August 1, 2024
- (e) share price at grant date: ₹ 78.65
- (f) expected price volatility of the Company's shares: 42.29%
- (g) expected dividend yield: 0%
- (h) risk free interest rate: 5.97%

The expected price volatility is based on the historic volatility (based on the remaining life of the options) adjusted for any expected changes to future volatility due to publicly available information.

(b) Expenses arising from share based payment transactions

The model inputs for the additional options granted during the year ended March 31, 2020 included:-

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Employee option plan	23.31	30.94

Note 38 - Financial risk management

The Group's business activities exposes it to a variety of financial risks, namely liquidity risk, market risk and credit risk. The Group's senior management and key management personnel have the ultimate responsibility for managing these risks. The Group has a mechanism to identify and analyse the risks faced by the Group, to set appropriate risk limits and to control and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's senior management and key management personnel are supported by the finance team and respective business divisions that provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The activities are designed to protect the Group's financial results and position from financial risks; and maintain market risks within acceptable parameters, while optimising returns.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

(A) Management of liquidity risk

The principal sources of liquidity of the Group are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Group believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. The Group is cognizant of reputational risk that are associated with the liquidity risk and such risk is factored into the overall business strategy. The following table shows the maturity analysis of financial liabilities of the Group based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

As at March 31, 2020	Note	Carrying amount	Less than 12 months	1 year to 3 years	More than 3 years
Borrowings	19,22 and 24	14,974.62	8,735.38	5,445.37	793.87
Interest accrued but not due on borrowings	24	39.35	39.35	-	-
Trade payables	23	31,398.76	31,398.76	-	-
Trade / Security deposits	20	317.56	-	317.56	-
Lease liabilities	3(b)(ii)	74.20	74.20	-	-
Interest accrued on others	20	283.82	-	283.82	-
Other liabilities	24	613.13	613.13	-	-
Other Advances	20	4.79	-	-	4.79

As at March 31, 2019	Note	Carrying amount	Less than 12 months	1 year to 3 years	More than 3 years
Borrowings	19,22 and 24	20,697.16	15,063.42	5,318.82	314.92
Interest accrued but not due on borrowings	24	89.31	89.31	-	-
Trade payables	23	21,483.68	21,483.68	-	-
Trade / Security deposits	20 and 24	307.18	-	307.18	-
Trade payables for capital assets	24	49.33	49.33	-	-
Interest accrued on others	20	283.82	-	283.82	-
Other liabilities	24	613.18	613.18	-	-
Other Advances	20	4.79	-	-	4.79

(B) Management of market risk

The size and operations of the Group results in it being exposed to the following market risks that arise from its use of financial instruments:

- i) price risk
- ii) interest rate risk
- iii) commodity risk
- iv) foreign exchange risk

The above risks may affect income and expenses, or the value of financial instruments of the Group. The objective of the Management of the Group for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Group exposure to, and the management of these risks is explained below:

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

Potential impact of risk	Management policy	Sensitivity to risk
i) Price risk		
<p>The Group is mainly exposed to the price risk due to its investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments.</p> <p>Equity price risk is related to the change in market reference price of the investments in equity securities.</p> <p>In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities. The fair value of quoted equity instruments classified as fair value through Other Comprehensive Income as at March 31, 2020 is ₹ 16,775.38 lakhs (March 31, 2019: ₹ 37,315.73 lakhs).</p>	<p>In order to manage its price risk arising from investments in equity instruments, the Group maintains its portfolio in accordance with the framework set by the Risk Management policies.</p> <p>Any new investment or divestment must be approved by the Board of Directors, Chief Financial Officer and Risk Management Committee.</p>	<p>As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the Group has calculated the impact as follows:</p> <p>For equity instruments, a 5% increase in Sensex prices would have led to approximately an additional ₹ 838.77 lakhs gain (March 31, 2019 - ₹ 1,929.60 lakhs gain). A 5% decrease in Sensex prices would have led to an equal but opposite effect.</p>
ii) Interest rate risk		
<p>Financial liabilities</p> <p>The Group is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings.</p> <p>As at March 31, 2020, the exposure to interest rate risk due to variable interest rate borrowings amounted to ₹ 11,474.62 lakhs (March 31, 2019: ₹ 20,697.16 lakhs).</p>	<p>The Group monitors fluctuations in interest rate continuously and has laid policies and guidelines including to minimise impact of interest rate risk.</p>	<p>As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Group has calculated the impact of a 25 bps change in interest rates. A 25 bps increase in interest rates would have led to approximately an additional loss of ₹ 28.69 lakhs (March 31, 2019: ₹ 53.08 lakhs). A 25 bps decrease in interest rates would have led to an equal but opposite effect.</p>
iii) Commodity risk		
<p>Commodities form a major part of the raw materials required for Group's products portfolio and hence commodity price risk is one of the important market risk for the Group. The commodities are priced using pricing benchmarks and commodity derivatives are priced using exchange-traded pricing benchmarks.</p>	<p>The Group has a robust framework and governance mechanism in place to ensure that the organisation is adequately protected from the market volatility in terms of price and availability.</p> <p>Group has managed the commodity risk with appropriate hedging activities in accordance with policies of the Group. The aim of the Group's approach to manage commodity risk is to leave the Group with no material residual risk. The Group uses future contracts to hedge against its commodity exposures relating to cotton which is its most widely used raw material.</p>	<p>As an estimation of the approximate impact of the residual risk, with respect to commodity futures, the Group has calculated the impact of a 5% change in futures rates.</p> <p>A 5% strengthening of the respective futures would result additional loss / gain of NIL (March 31, 2019 - NIL) impact on profit and equity. This analysis assumes that all other variables remain constant.</p> <p>A 5% weakening of the futures would have led to an equal but opposite effect.</p>
iv) Foreign exchange risk		
<p>The Group has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the functional currency (₹) of the Group. The risk also includes highly probable foreign currency cash flows.</p>	<p>The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD, EURO, GBP and AED.</p> <p>The aim of the Group's approach is to manage the currency risk and to leave the Group with no material residual risk. This aim has been achieved in all years presented.</p> <p>The Group manages currency exposures within prescribed limits, through use of forward exchange contracts. Foreign exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.</p>	<p>As an estimation of the approximate impact of the foreign exchange rate risk, with respect to Financial Statements, the Group has calculated the following:</p> <p>For derivative and non-derivative financial instruments, a 5% increase in the spot price as on the reporting date would result in increase in profit and equity of ₹ 49.04 lakhs (March 31, 2019: ₹ 74.91 lakhs). A 5% decrease would have led to an equal but opposite effect.</p>

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

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

As at March 31, 2020		As at March 31, 2019	
Receivable/ Payable	Receivable/ Payable in Foreign currency	Receivable/ Payable	Receivable/ Payable in Foreign currency
₹ in lakhs	(Amount in Foreign currency) (in lakhs)	₹ in lakhs	(Amount in Foreign currency) (in lakhs)
Receivable		Receivable	
801.50	USD 10.59	1,656.81	USD 23.957
442.58	AED 21.49	93.91	AED 4.99
-	-	27.11	EURO 0.35
-	-	78.17	GBP 0.86
Payable		Payable	
256.65	USD 3.39	357.81	USD 5.174
6.55	GBP 0.07	-	-

(C) Management of credit risk

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

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large, diverse and across sectors and countries. All trade receivables are reviewed and assessed for default on a quarterly basis.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

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

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

Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks. The Group has a diversified portfolio of investment with various number of counterparties which have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the treasury department of the Group.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised as income in the Statement of Profit and Loss.

Note 39 - Capital Management

(a) Risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the Balance Sheet) less cash and cash equivalents and other bank balances. Total capital is calculated as 'equity' as shown in the Balance Sheet.

Description	March 31, 2020	March 31, 2019
Total Equity (A)	28,467.51	50,710.60
Non-Current Borrowings	6,239.24	5,633.74
Short Term Borrowings	7,183.52	12,387.67
Current maturities of long term borrowings	1,551.86	2,675.75
Gross Debt (B)	14,974.62	20,697.16
Gross Debt as above		
Less: Cash and Cash Equivalents	2,697.26	1,020.02
Less: Other balances with bank (including non-current earmarked balances)	891.48	907.46
Net Debt (C)	11,385.88	18,769.68
Net Debt to Equity (C/A)	0.40	0.37

Note 40 - Employee benefit obligations

Particulars	As at March 31, 2020	As at March 31, 2019
Compensated Absences (Refer Note 25)	591.43	582.61
Gratuity (Refer Note 25)	708.93	342.47
Total	1,300.36	925.08

(i) Compensated Absences

The employees of the Group are entitled to compensated absences as per the policy of the Group. The entire amount of the provision of compensated absences is presented as current, since the Group does not have an unconditional right to defer settlement for the obligation. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Particulars	As at March 31, 2020	As at March 31, 2019
Current leave obligations not expected to be settled within the next 12 months	516.46	421.65

ii) Post employment obligations

(a) Defined Contribution Plans:

The Group contributes towards Employees State Insurance Scheme, Family Pension Fund, Superannuation Fund and Provident Fund for certain employees. The contributions are normally based on a certain proportion of the employee's salary. During the year the Group has recognised contribution to these funds aggregating to ₹ 462.47 lakhs (March 31, 2019- ₹ 620.87 lakhs)(Refer Note 31).

(b) Defined Benefit Plans:

Gratuity

The Group provides for gratuity for employees as per the Group policy. The amount of gratuity payable on retirement/termination is payable to the employees based on last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Group has established Fund to which the Group makes contribution for certain employees whereas for some other employees the Group makes contribution to a trust maintained by Life Insurance Corporation ('LIC') of India. The contributions are made to a gratuity fund based upon actuarial valuation done at the year end of every financial year using "Projected Unit Credit" method. The charge on account of provision for gratuity has been included in 'Employee Benefits Expense' in the Statement of Profit and Loss except remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability which are recognised in other comprehensive income.

Provident fund

In respect of certain employees, provident fund contributions are made to a separately administered trust. Such contribution to the provident fund are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the guaranteed specified interest rate, the same is provided for by the Group. The actuary has provided an actuarial valuation and the interest shortfall liability, if any, has been provided in the books of accounts after considering the assets available with the provident fund trust.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

Gratuity

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As on April 1, 2018	3,103.76	2,898.57	205.19
Interest Expense/(Income)	243.10	226.98	16.12
Current Service Cost	170.03	-	170.03
Past Service Cost	-	-	-
Total Amount Recognised in the Statement of Profit and Loss	413.13	226.98	186.15
<i>Remeasurements</i>			
Return on plan assets, excluding amount included in interest expense/(income)	-	(10.79)	10.79
(Gain)/loss from change in financial assumptions	76.59	-	76.59
Experience (gains)/losses	62.87	-	62.87
Total Amount Recognised in Other Comprehensive Income	139.46	(10.79)	150.25
Employer Contributions	-	199.12	(199.12)
Benefit Payments	(984.47)	(984.47)	-
Balance as on March 31, 2019	2,671.88	2,329.41	342.47

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As on April 1, 2019	2,671.88	2,329.41	342.47
Interest Expense/(Income)	202.03	176.24	25.79
Current Service Cost	125.18	-	125.18
Total Amount Recognised in the Statement of Profit and Loss	327.21	176.24	150.97
<i>Remeasurements</i>			
Return on plan assets, excluding amount included in interest expense/(income)	-	2.36	(2.36)
(Gain) / loss from change in financial assumptions	113.41	-	113.41
Experience (gains)/losses	179.20	-	179.20
Total Amount Recognised in Other Comprehensive Income	292.61	2.36	290.25
Employer Contributions	-	74.75	(74.75)
Benefit Payments	(533.90)	(533.90)	-
Balance as on March 31, 2020	2,757.80	2,048.86	708.94

Provident Fund

The amounts recognised in the Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 1, 2018	2,269.88	2,408.29	(138.41)
Opening Balance adjustment	46.78	36.73	10.05
Interest Expense/(Income)	175.99	175.99	-
Current Service Cost	112.41	-	112.41
Employee Contributions	161.86	274.27	(112.41)
Liabilities transferred in	41.03	41.03	-
(Liabilities transferred out)	(376.72)	(376.72)	-
Benefit Payments	-	(0.68)	0.68
Balance as on March 31, 2019 *	2,431.23	2,558.91	(127.68)

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
As on April 1, 2019	2,431.23	2,558.91	(127.68)
Opening Balance adjustment	(7.08)	168.83	(175.91)
Interest Expense/(Income)	172.45	6.21	166.24
Current Service Cost	94.33	-	94.33
Employee Contributions	130.54	224.87	(94.33)
Liabilities transferred in / (out)	15.12	15.12	-
Return on plan assets	-	(16.93)	16.93
Benefit Payments	(782.06)	(782.06)	-
Balance as on March 31, 2020 *	2,054.53	2,174.95	(120.42)

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

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

Gratuity

Particulars	As at March 31, 2020	As at March 31, 2019
Present Value of Obligations	2,757.80	2,671.88
Fair Value of Plan Assets	2,048.86	2,329.41
Net (Asset)/Liability	708.94	342.47

Provident Fund

Particulars	As at March 31, 2020	As at March 31, 2019
Present Value of Obligations	2,054.53	2,431.23
Fair Value of Plan Assets	2,174.95	2,558.91
Net (Asset)/Liability*	(120.42)	(127.68)

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

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Discount Rate / Return on plan assets		
Gratuity	6.84%-6.86%	7.54%- 7.79%
Guaranteed Return		
Provident fund	8.50%	8.65%
Rate of salary increase		
Gratuity	4.00%	4.00%
Rate of employee turnover		
Gratuity	2.00%	2.00%
Mortality rate during employment	Indian assured lives mortality (2006-08)	Indian assured lives mortality (2006-08)

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

Sensitivity Analysis

The sensitivity of the defined benefit obligation to increase and decrease in the the weighted principal assumptions by 0.50% is as below:

Particulars	Impact on defined benefit obligation			
	Increase in assumptions		Decrease in assumptions	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount Rate / Return on plan assets				
Gratuity	(81.39)	(80.78)	86.06	85.76
Rate of salary increase				
Gratuity	88.05	88.37	(83.94)	(83.87)
Rate of employee turnover				
Gratuity	15.63	21.70	(16.37)	(22.82)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iii) The major categories of plans assets are as follows:

The plan asset for the funded gratuity plan is administered by Life Insurance Corporation of India ('LIC') and Trust managed by the Fund as per the investment pattern stipulated for Pension and Group Schemes fund by Insurance Regulatory and Development Authority regulations i.e. 100% of plan assets are invested in insurer managed fund. Quoted price of the same is not available in active market.

(iv) Risk Exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Demographic Risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Asset volatility : The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. 100% of the plan asset investments is in insurer managed funds. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level.

Salary Inflation Risk : Higher than expected increases in salary will increase the defined benefit obligation.

Interest-Rate Risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(v) Defined Benefit Liability and Employer Contributions

Expected contributions to post-employment benefit plans for the year ending March 31, 2021 are ₹ 279.63 lakhs.

The weighted average duration of the defined benefit obligation is 7 - 11 years 2019 : 7 - 11 years). The expected maturity analysis of undiscounted gratuity is as follows:

Maturity Analysis of the Projected Benefit Obligations - Gratuity

Particulars	As at March 31, 2020	As at March 31, 2019
1st Following Year	351.46	416.17
2nd Following Year	168.89	212.02
3rd Following Year	245.26	212.14
4th Following Year	283.09	238.90
5th Following Year	266.81	275.79
Sum of 6th to 10th Following Year	1,376.46	1,263.97

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 41 - Related party transactions

I Name of related parties and nature of relationship:

A) Key Management Personnel

H. A. Mafatlal (Executive Chairman)
Priyavrata H. Mafatlal (Executive Director) [CEO {w.e.f. April 1, 2019}] [Son of Shri H. A. Mafatlal]
Atul K. Srivastava (Non Executive Independent Director w.e.f. August 5, 2019) (Non Executive Non Independent Director upto August 4, 2019)
Vilas R. Gupte (Non Executive Independent Director)
Pradip N. Kapadia (Non Executive Independent Director)
Latika P. Pradhan (Non Executive Independent Director)
Gautam G. Chakravarti (Non Executive Independent Director)
Sujal A. Shah (Non Executive Independent Director)
Aniruddha Deshumkh (Managing Director & CEO) up to March 31, 2019**

B) Individual having significant influence

H. A. Mafatlal

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

NOCIL
Arvi Associates Private Limited #
Gayatri Pestichem Manufacturing Private Limited

D) Enterprises over which Individual having significant influence and relatives of such individual are able to exercise significant influence

Sukarma Investments Private Limited*
Sumil Holding Private Limited#
Suremi Trading Private Limited #
Silvia Apparel Limited **
Mafatlal Global Apparel Limited**
Altamount Product and Services Private Limited**

E) Post employment benefit plan

The Mafatlal Gagalbhai & Sons and the Associate Concerns Officer's Superannuation Scheme
Mafatlal Industries Limited - Employees Gratuity Fund
Mafatlal Industries Limited - Employees Provident Fund
Mafatlal Denim Limited - Employees Provident Fund
Mafatlal Denim Limited - Employees Superannuation Fund
Arvi Associates Private Limited is merged with Suremi Trading Private Limited (Transferee company or the demerged company) and Sumil Holding Private Limited is the resulting company.

** No transactions during the year

II Transactions with related parties

The following transactions occurred with related parties:

A) Key Management personnel compensation		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Directors Remuneration		
Short-term employee benefits		
Aniruddha Deshumkh	-	227.47
Priyavrata H. Mafatlal	62.49	25.23
Post-employment benefits		
Long-term employee benefits	*	*
Employee share-based payment	*	*

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(All amounts in ₹ Lakhs, unless stated otherwise)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Director's sitting fees		
Latika P. Pradhan	7.00	10.50
Atul K. Srivastava	9.80	7.00
Pradip N. Kapadia	6.30	8.40
Gautam G. Chakravarti	14.00	11.20
Sujal A. Shah	7.00	8.40
Vilas R. Gupte	9.10	12.60
Total compensation	115.69	310.80

B) Details of transactions with Related Parties during the year:

Nature of transaction	Year ended March 31, 2020	Year ended March 31, 2019
(i) Sale of Goods & Services		
Suremi Trading Private Limited (Now Sumil Holding Private Limited) ##	0.03	0.36
(ii) Other Operating Revenues		
NOCIL	9.11	13.08
(iii) Dividend Income		
NOCIL	1,262.95	650.20
(iv) Lease & License Fees		
Arvi Associates Private Limited (Now Sumil Holding Private Limited) ##	3.82	2.28
Gayatri Pestichem Manufacturing Private Limited	0.13	0.12
(v) Payment for Post employment benefit plan		
The Mafatlal Gagalbhai & Sons and the Associate Concerns Officer's Superannuation Scheme	60.27	61.16
Mafatlal Industries Limited - Employees Gratuity Fund	24.81	15.00
Mafatlal Industries Limited - Employees Provident Fund	223.57	285.78
Mafatlal Denim Limited - Employees Provident Fund	2.69	2.18
Mafatlal Denim Limited - Employees Superannuation Fund	-	19.28
(vi) Sale of Investments		
Suremi Trading Private Limited	-	64.81
Arvi Associates Private Limited	-	272.50
(vii) Amount due from		
Trade and other receivables:		
NOCIL	0.66	3.70
Suremi Trading Private Limited (Now Sumil Holding Private Limited) ##	-	0.32
(viii) Investments in Related Parties		
NOCIL	16,620.46	37,168.70

Notes:

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

Terms and conditions

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 42 - Contingent liabilities and contingent assets

(a) Contingent liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Income Tax Matters	3,013.83	3,053.63
Central excise and related matters	190.72	528.70
Central excise and service tax matters*	2,960.55	2,960.55
Other Commercial matters	49.83	49.83
Labour Law matters	137.56	366.87
Director General of Foreign Trade matters	4.79	4.79
Total	6,357.28	6,964.37

* The Group has received a favourable order from Honourable CESTAT subsequent to the year end.

(b) The Group is a lessee in respect of the land on which Mafatlal Centre and Mafatlal Chambers is erected. In this regard:

In case of Mafatlal Centre:

A demand for ₹ 2,696.98 lakhs (March 31, 2019 ₹ 2,696.98 lakhs) for the period from 2004-07 and 2008-10 were raised by Brihanmumbai Mahanagarpalika ('BMC') towards Property Taxes in respect of the properties owned by various owners for the respective floors. The demand has been challenged by owners of various floors at appropriate forum and the matter is subjudice. In case the demand is finally upheld, the amount will be paid by the concerned co-owners and the Group will have no additional liability.

In case of Mafatlal Chambers:

A demand for ₹ 792.46 lakhs (March 31, 2019 ₹ 792.46 lakhs) for the period 2000-05 has been raised by Brihanmumbai Mahanagarpalika ('BMC') towards Property Taxes in respect of the properties owned by the Group at the relevant time. The said demand has been disputed by the Group. As per the directions given by the Honourable Bombay High Court, the BMC has granted hearing to the Group and the final outcome is awaited.

- (c) It is not practicable for the Group to estimate the timing of cash flows, if any, in respect of the above pending resolution of the respective proceedings.
- (d) The Group does not expect any reimbursement in respect of the above contingent liabilities.
- (e) The Group believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

Note 43 - Commitments

(a) Capital commitments and other commitments

Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated value of contracts on capital account remaining to be executed		
Tangible assets	-	139.96

Other commitments

Particulars	As at March 31, 2020	As at March 31, 2019
Export obligations against the import licenses taken for import of capital goods under the Export Promotion Capital Goods Scheme which is to be fulfilled over the period of next six years. If the Group is unable to meet these obligations, its liability would be NIL (March 31, 2019 : ₹ 1,452.83 lakhs) which will reduce in proportion to actual exports. The Group is reasonably certain to meet its export obligations, hence it does not anticipate a loss with respect to these obligations.	-	8,716.98

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

(b) Non-cancellable operating leases

As a lessor

The Group has entered into non cancellable operating lease arrangements for certain office premises. The tenure of such agreements ranges from eleven to sixty months. (Refer Note 4)

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</i>		
Within one year	214.37	103.51
Later than one year but not later than five years	17.09	45.11
	231.46	148.62

As a Lessee

The Group has entered into operating lease arrangements for certain facilities and residence premises. The leases are non-cancellable and are for a period upto 5 years and may be renewed for a further period upto 3 years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments upto 15% every 3 years. There are no sub-leases. From April 1, 2019 the Group has recognised right-of-use of assets for these leases, Refer Note 3(b) for further information.

Particulars	As at March 31, 2020	As at March 31, 2019
<i>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</i>		
Within one year	-	179.55
Later than one year but not later than five years	-	59.39
	-	238.94

Rental expense relating to operating leases

Particulars	As at March 31, 2020	As at March 31, 2019
Total rental expense relating to operating leases*	-	306.92

* Refer Note 34 to Statement of Profit and Loss

Note 44 - Segment information

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

The Group is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

Particulars	As at March 31, 2020		As at March 31, 2019	
	Within India	Outside India	Within India	Outside India
Revenue from External Customers	93,191.68	7,361.26	91,863.91	10,521.45

Segment Assets

Particulars	As at March 31, 2020		As at March 31, 2019	
	Within India	Outside India	Within India	Outside India
Non-current assets excluding financial assets, deferred tax assets, Income tax assets	13,912.79	-	14,419.78	-

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

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 45 - Earnings per share

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Basic and Diluted (Loss) / Earnings Per Share		
Loss After Taxation	(1,370.80)	(18,007.04)
Weighted average number of shares for Basic and Diluted EPS (Nos.)	13,912,886	13,912,886
Nominal Value of shares outstanding	10	10
Basic and Diluted Loss Per Share	(9.85)	(129.43)
Weighted average number of shares used as the denominator		
Opening Balance	13,912,886	13,912,886
Issued during the year	-	-
Weighted average number of shares used as the denominator for calculating basic and diluted earnings per share	13,912,886	13,912,886

Note 46 - Government Grant

Export Promotion Capital Goods (EPCG): This scheme allows import of certain capital goods including spares at zero duty subject to an export obligation for the duty saved on such capital goods. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as a Capital Grant as stated in the Accounting policy on Government Grant (Refer note 2).

Technology Upgradation Fund Scheme (TUFS): The Group is entitled to subsidy, on its investment in the property plant and equipment, on fulfilment of the conditions stated in those Scheme.

Duty Drawback Scheme: Under Duty drawback scheme, the Group receives certain percentage of export proceeds as a duty drawback from custom authorities on export of products.

Incremental Incentive Scheme: Under incremental incentive scheme, Group receives scrips for incremental exports.

These subsidies being Government Grant with primary condition as export of products are accounted as a Revenue Grant as stated in the Accounting policy on Government Grant (Refer Note 2).

The Government Grant above represents unamortised amount of the subsidy referred to below, with the corresponding adjustment to the carrying amount of property, plant and equipment (Refer Note 3).

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	686.64	3,156.63
Grants during the year	-	26.63
Less:- Grant reclassified / reversed	(32.17)	(72.85)
Less: Released to Statement of Profit and Loss [Refer Note 28 (a)]	(122.80)	(487.60)
Less : Impairment [Refer Note 34 (b)]	-	(1,936.17)
Closing balance	531.67	686.64

Description	As at March 31, 2020	As at March 31, 2019
Current portion	130.18	142.48
Non-current portion	401.49	544.16
Total	531.67	686.64

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

Note 47 - Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
Current			
Financial Assets			
First and Second Charge			
Trade receivables	12	25,084.93	19,135.72
Non-Financial Assets			
Inventories	11	10,605.69	10,496.54
Assets held for sale	17	2,457.21	7,850.09
Total Current assets pledged as security		38,147.83	37,482.35
Non-Current			
Financial Assets			
Investments	6	4,389.56	13,274.49
Non-Financial Assets			
Land	3(a)	8.57	8.57
Building	3(a)	1,156.79	2,772.20
Plant & Machinery	3(a)	9,702.74	9,373.81
Investment Property	4	227.52	218.01
Vehicles	3(a)	80.87	168.56
Others Assets	14	40.98	40.98
Total Non-Current assets pledged as security		15,607.03	25,856.62
Total assets pledged as security		53,754.86	63,338.97

Note 48: Interests in other entities

(a) Subsidiaries

The Group has only one subsidiary at March 31, 2020 named 'Mafatlal Services Limited'. The Group holds majority stake of 88% in the subsidiary and also has the right to appoint its Board of Directors. The country of incorporation or registration is also their principal place of business.

(b) Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet	As at March 31, 2020	As at March 31, 2019
Current assets	15.26	14.71
Current liabilities	4.53	3.99
Net current assets	10.73	10.72
Non-current assets	33.20	33.20
Non-current liabilities	4.79	4.79
Net non-current assets	28.41	28.41
Net assets	39.13	39.13
Accumulated NCI	4.69	4.69

Summarised statement of Profit and Loss	Year ended March 31, 2020	Year ended March 31, 2019
Revenue	31.01	30.30
Profit for the year	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Profit allocated to NCI	-	-
Dividends paid to NCI	-	-

Summarised cash flows	Year ended March 31, 2020	Year ended March 31, 2019
Cash flows from operating activities	1.22	(1.73)
Cash flows from investing activities	0.53	0.49
Cash flows from financing activities	-	-
Net increase/ (decrease) in cash and cash equivalents	1.75	(1.24)

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

(c) Transactions with Non-Controlling interest

There are no transactions with non-controlling interests for any of the reported years.

Note 49

Additional information required by Schedule III

Particulars	March 31, 2020		March 31, 2019	
	As a % of Consolidated net assets	Amount	As a % of Consolidated net assets	Amount
Parent				
Mafatlal Industries Limited				
Net Assets i.e Total assets minus total liabilities	99.99%	28,455.89	99.99%	50,698.98
Share in profit or (loss)	100.00%	(1,370.80)	100.00%	(18,007.04)
Share in other comprehensive income	100.00%	(20,895.60)	100.00%	(11,165.38)
Share in total comprehensive income	100.00%	(22,266.40)	100.00%	(29,172.42)
Subsidiaries				
Mafatlal Services Limited				
Net Assets i.e Total assets minus total liabilities	0.01%	11.62	0.01%	11.62
Share in profit or (loss)	0.00%	-	0.00%	-
Share in other comprehensive income	0.00%	-	0.00%	-
Share in total comprehensive income	0.00%	-	0.00%	-

Note 50 (a)

The outbreak of Covid-19 has severely impacted many businesses around the world. In view of the various directives of Central Government/ Concerned State Governments relating to lockdown, the Group, on March 22nd, 2020, decided to temporarily suspend manufacturing operations at its facilities, after following requisite safety protocols. The Group has since re-commenced its operations at plant location from May 14th, 2020 in a phased manner. Management has carried out a detailed assessment of the impact of Covid-19 on its business operations and liquidity position, and on the recoverability and carrying values of its assets, including Property, Plant and Equipment, Investment Properties, Intangible assets, Assets held for sale, Trade receivables, Inventories, Investments and Deferred tax assets and has concluded that there are no significant impact on its Financial Statements as at March 31st, 2020. The assessment of the liquidity position made by the Management is highly dependent on debtor's recovery, inventory liquidation & recovery of proceeds from assets held for sale which has also been impacted consequent to Covid-19 outbreak. Based on assessment of the management, an adequate provision for doubtful debts (Refer Note 12) and slow moving / non-moving inventory (Refer Note 11) has been recognised. As the situation is constantly evolving, Management has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of the Covid-19 pandemic in these financial statements. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Group will continue to monitor any material changes to future economic conditions.

Note 50 (b)

Contingent liability relating to determination of provident fund liability, based on judgement from Hon'ble Supreme Court, is not determinable at present for the period prior to March 2019, due to uncertainty of the impact of the judgement in the absence of further clarification relating to applicability. The Group has paid Provident Fund to employees as applicable with effect from March 2019. The Group will continue to assess any further developments in this matter for its implication on the financial statements, if any.

Note 51

- As legally advised, the Group has not recognised as income recovery of rent and other charges of ₹ 83.61 lakhs upto March 31, 2020 (₹ 83.61 lakhs upto March 31, 2019) pending final resolution of legal dispute with certain ex-tenants of a property in South Mumbai. At present, the legal dispute is pending with the Hon'ble Bombay High Court. A sum of ₹ 577.89 lakhs (Net) was withdrawn by the Group in accordance with the Orders passed by the Hon'ble High Court of Bombay on the Civil Revision Applications filed by the ex-tenants and the said amount of ₹ 577.89 lakhs has been included in other current liabilities.
- In an earlier year, the Group had sold part of its leasehold land at its Mazgaon unit. During the previous financial year, the Group has surrendered the remaining leasehold land (reserved portion admeasuring about 27,287.82 square meters) to Municipal Corporation of Greater Mumbai for the purpose of extension of V.J.B. Udyan. The Group is also required to recommence the spinning unit which can accommodate 10,000 spindles. By virtue of the agreement, the developer will construct a structure and hand it over to the Group.
- Pursuant to the demerger of the Real Estate and Investment Business to Sulakshana Securities Limited (SSL) in 2002, the shareholders of the Group are to be issued one equity share of ₹10/- each, fully paid-up, in SSL for every 500 shares of ₹ 100/- each, fully paid-up, held in the Group as consideration for the demerger, aggregating to ₹1.00 lakh. As the shareholders of the Group would be entitled to receive only

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

fractional shares of SSL, the rehabilitation scheme sanctioned by BIFR envisages that these shares would be acquired by Navin Fluorine International Limited (NFIL) and the shareholders of the Group would receive proportionate payment in consideration thereof. The Group has received the said amount of ₹ 1.00 lakh from NFIL on behalf of the shareholders, which is pending disbursement upon completion of formalities.

- (iv) During the financial year ended March 31, 2020 there is no change in the status of the litigation in respect of Group's entitlement for Transfer of Development Rights against surrender of part of leasehold land at Mazagaon to Municipal Corporation of Greater Mumbai as compared to March 31, 2019.
- (v) The consolidated financial statements of the Group - Mafatlal Industries Limited have been prepared in accordance with Indian Accounting Standard (Ind.AS)-110 on 'Consolidated Financial Statements'. The details of such entities are as under:

Name of the entity	% Holding of the Group
Mafatlal Services Limited (subsidiary incorporated in India)	88.00%
Ibiza Industries Limited	54.89%
Sunanda Industries Limited	94.00%
Al Fahim Mafatlal Textile LLC-UAE	49.00%
Mafatlal Limited (incorporated in United Kingdom)	29.83%
Mafatlal Engineering Industries Limited (incorporated in United Kingdom)	22.18%
Mafatlal Global Apparel Limited (since 29th September 2012)	-

- (a) There has been no change in the percentage holding of the Group in its three subsidiaries existing as at the year ended March 31, 2019 and March 31, 2020.
- (b) Consequent to Ibiza Industries Limited (IIL) and Sunanda Industries Limited (SIL) which have gone under liquidation in the earlier years, the Group effectively has no control over IIL and SIL. The liquidation is being carried out by court appointed liquidator. In absence of power over the relevant activities and variable returns, the Group effectively has no control over above entities. Hence, in accordance with the requirements of Ind AS -110 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI) and specified under Section 133 of the Companies Act, 2013, the same have not been consolidated.
- (c) In case of Al Fahim Mafatlal Textile LLC- UAE- the joint venture, it is in the process of liquidation and hence the Group does not have joint control over the entity. Accordingly the unaudited financial statement have not been considered for consolidation.
- (d) Mafatlal Global Apparel Limited ceases to be an associate with effect from March 23, 2015.
- (e) The other entities are in the process of liquidation and the Group ceases to have any significant influence over these entities and accordingly they have not been considered for consolidation.

Note 52 - Details of Research and Development

Particulars	March 31, 2020	March 31, 2019
Employee benefits expense	83.44	81.11
Consumables	4.12	3.11
Repairs and Maintenance	19.73	19.22
Total	107.29	103.44

Note 53

Export Promotion Capital Goods (EPCG) scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant.

Note 54:- Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures.

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

In terms of our report attached

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP

Registration No.012754N / N500016

H. A. Mafatlal
Chairman
(DIN:00009872)

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

M. P. Shah
Chief Financial Officer

A. A. Karanji
Company Secretary

Jeetendra Mirchandani
Partner
Membership No. 048125
Pune, June 27, 2020

Mumbai, June 27, 2020 Mumbai, June 27, 2020 Mumbai, June 27, 2020 Ahmedabad, June 27, 2020

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

(All amounts in ₹ Lakhs, unless stated otherwise)

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of the subsidiary and the joint venture.

Part "A" Subsidiary

Sr. No.	Name of the Subsidiary Company	Mafatlal Services Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2019 to March 31, 2020
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the each of foreign subsidiaries	INR
3	Share capital	310.00
4	Other Equity	(270.87)
5	Total assets	48.45
6	Total Liabilities	9.32
7	Investments	-
8	Turnover	31.01
9	Profit before taxation	-
10	Provision for taxation	-
11	Profit after taxation	-
12	Proposed Dividend	-
13	% of shareholding	88%

- Names of subsidiaries which are yet to commence operations: Vrata Tech Solutions Private Limited
- Names of subsidiaries which have been liquidated or sold during the year: None

INSTRUCTIONS TO THE SHAREHOLDERS FOR E-VOTING, ATTENDING AGM THROUGH VIDEO CONFERENCING, REGISTERING AS SPEAKER ETC.

This is to inform you that **106th Annual General Meeting ('AGM')** is scheduled to be held on **Thursday, September 10, 2020 at 12:30 p.m.** through video conferencing ('VC') / other audio visual means ('OAVM').

The Annual Report for FY 2019-20 along with Notice of the AGM is available and can be downloaded from the Company's website www.mafatals.com under "financials & disclosure" section" and also at the website of KFin Technologies Private Limited ('KFinTech'), the Registrar & Share Transfer Agents (STA) of the Company www.kfintech.com.

Please note that in view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the AGM through VC/ OAVM, without the physical presence of the Members at a common venue. Accordingly, in compliance with the applicable Circulars issued by MCA & SEBI and the relevant provisions of the Companies Act, 2013 (Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the AGM of the Company is being held through VC/OAVM.

Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their votes on all resolutions set forth in the Notice of the AGM using electronic voting system (remote e-voting) provided by KFinTech and also digital voting during the AGM to those members who have not voted through remote e-voting.

The e-voting period commences on Monday, September 7, 2020 (9:00 a.m. IST) and ends on Wednesday, September 9, 2020 (5:00 p.m. IST).

During this period, Members holding shares either in physical form or in dematerialised form **as on Thursday, September 3, 2020 i.e. cut-off date**, may cast their vote electronically. The e-voting module shall be disabled by KFinTech for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

The voting rights of Members shall be in proportion to the equity shares held by them in the paid-up equity share capital of the Company as on **Thursday, September 3, 2020 (cut-off date)**. Any person, who is a Member of the Company as on the cut-off date is eligible to cast vote electronically on all the resolutions set forth in the Notice of AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

INSTRUCTIONS FOR MEMBERS FOR REMOTE E VOTING, EVOTING & ATTENDANCE AT AGM :

- e-AGM:** Company has appointed KFinTech to provide VC / OAVM facility for the AGM and the attendant enablers for conducting of the e-AGM.
- Pursuant to the provisions of the circulars of MCA on the VC/OVAM(e-AGM):
 - Members can attend the meeting through log in credentials provided to them to connect to VC / OAVM. Physical attendance of the Members at the Meeting venue is not required.
 - Option of appointment of proxy to attend and cast vote on behalf of the member is not available.
 - Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
- Up to 1000 members will be able to join on a FIFO basis to the e-AGM.
- No restrictions on account of FIFO entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
- The attendance of the Members (members logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- Members are requested to register their email IDs with KFinTech if shares are held by them in physical form or with their respective DPs if shares are held by them in demat form. Those Members who have not registered their email IDs may send an email request to einward.ris@kfintech.com along with the following documents for obtaining the Annual Report, Notice of AGM with e-voting instructions and login credentials: (a) In case shares are held in physical mode, please provide folio no., name, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of any address proof; (b) In case shares are held in demat mode, please provide DPID-Client ID (8 digit DPID + 8 digit client ID or 16 digit beneficiary ID), name, client master or copy of consolidated account statement, self-attested scanned copy of PAN card, self-attested scanned copy of any address proof; (c) After due verification, KFinTech will forward login credentials to Member's registered email ID; (d) After this, Member may follow the remote e-voting instructions given in this Notice.

Instructions for the Members for attending the e-AGM through VC / OAVM:

- Attending e-AGM:** Member will be provided with a facility to attend the e-AGM through VC / OAVM platform being provided by KFinTech. Members may access the same at <https://emeetings.kfintech.com> and **click on the "video conference"** and access the shareholders/ members login by using the remote e-voting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected.
- Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
- Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
- Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

6. **AGM Questions prior to e-AGM:** Shareholders who would like to express their views/ask questions during the meeting may log into <https://emeetings.kfintech.com/> and click on "Post your Questions" may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, members questions will be answered only, the shareholder continue to hold the shares as of cut-off date benpos.
7. Due to limitations of transmission and coordination during the Q&A session, the Chairman may dispense with the speaker registration during the e-AGM conference.
8. **Speaker Registration during e-AGM session:** In case of decision to allow the Q&A session in the meeting, meeting may log into <https://emeetings.kfintech.com/> and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit.

Members who wish to be a Speaker or would like to express their views or ask questions during the AGM may register themselves as a "speaker" by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at agm.speaker@mafatlals.com from **Monday, September 7, 2020 (9:00 a.m. IST) and ends on Wednesday, September 9, 2020 (5:00 p.m. IST).**

Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Instructions for members for e-Voting during the e-AGM session:

1. The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the chairman during the e-AGM proceedings. Shareholders shall click on the same to take them to the "instapoll" page
2. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
3. Only those shareholders, who are present in the e-AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the e-AGM.

Remote Voting through electronic means

In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the Listing Regulations, the Company is providing facility of remote e-voting facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as **on 3rd September, 2020 (end of day), being the cut-off date** fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by KFin or to vote at the e-AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.

The details of the process and manner for remote e-voting are given below:

- i. Initial password is provided in the body of the email.
- ii. Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- iii. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
- iv. After entering the details appropriately, click on LOGIN.
- v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the EVENT i.e. Mafatlal Industries Limited.
- viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- x. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- xi. All Members, including Institutional Investors, are encouraged to attend and vote at the AGM. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to **the Scrutinizer through email at umesh@umeshvedcs.com** and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'BAL_EVENT No.'
- xii. Members can cast their vote online from 7th September, 2020 (9.00 a.m.) till 9th September, 2020 (5.00 p.m.). Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.
- xiii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 345 4001 (toll free).

ASSISTANCE FOR AGM RELATED MATTERS :

Members who need assistance before or during the AGM, can connect with KFinTech Team contact Mr._Ananda_Moolya at email : ananda.moolya@kfintech.com Tele:040-67161627 on 040-67161627/ Telephone No: 9920292193 OR Mr. Sunil Ponugoti(Dy. Manager) at Email: sunil.ponugoti@kfintech.com, Telephone: 8142115522 / P: +91 40 67161627

OR the Company's officials Mr. Harsh Patel, Asst. Manager / Mr. Dinesh Patni, Executive at 079-26444404-06 or may email query at ahmedabad@mafatlals.com



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