

NOTICE

NOTICE IS HEREBY GIVEN THAT the **107th Annual General Meeting (“AGM”)** of the Members of Mafatlal Industries Limited will be held on Friday, the 30th day of July, 2021 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, 2021 including Statement of Profit & Loss for the year ended 31st March, 2021 and the Balance Sheet as at that date, the Directors' Report and the Auditors' Reports thereon.
- (2) To appoint a Director in place of Mr. Hrishikesh A. Mafatlal (holding DIN 00009872) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

- (3) To consider and if thought fit to pass the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, the payment of Remuneration of ₹ 4,37,500/- (Rupees Four Lacs Thirty Seven Thousand Five Hundred only) (plus taxes and re-imbursalment 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, 2021 to 31st March, 2022 be and is hereby approved and ratified.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modifications or re-enactments thereof, for the time being in force), the approval of the Members of the Company, be and is hereby accorded to the re-appointment of Mr. Hrishikesh A Mafatlal (DIN 00009872), as Executive Chairman of the Company for a period of 5 (five) years with effect from 1st November, 2021 on the terms and conditions and remuneration as set out in the letter of appointment dated 26th May, 2021 issued to him and laid before the Meeting, with the liberty and powers to the Board of Directors of the Company to increase, alter and vary the designation, salary, commission and perquisites, and/or other terms of his appointment in such manner as the Board in its absolute discretion deems fit and is acceptable to him subject to the limits and provisions as set out under Section 197 of the Companies Act, 2013 and/or as specified in Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits of the Company in any financial year, Mr. Hrishikesh A Mafatlal (DIN 00009872) be paid the said remuneration as minimum remuneration subject to the terms and conditions prescribed in Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT pursuant to the Regulation 17(6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with the applicable provisions of the Companies Act, 2013 and rules made thereunder and Schedule V to the Companies Act, 2013, consent of the Members be and is hereby accorded to the payment of remuneration to Mr. Hrishikesh A Mafatlal (DIN 00009872) as Executive Chairman of the Company and being a Promoter of the Company notwithstanding that it is in excess of 2.5 percent of the net profits of the Company (and in excess of 5 percent of the net profits of the Company for two executive directors who are promoters of the Company) as calculated under the provisions of Section 198 of the Companies Act, 2013 in any financial year during his tenure.

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.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modifications or re-enactments thereof, for the time being in force), the approval of the Members of the Company, be and is hereby accorded to the re-appointment of Mr. Priyavrata H Mafatlal (DIN 02433237) as Managing Director & Chief Executive Officer (MD&CEO) of the Company for a period of 5 (five) years with effect from 1st November, 2021 on the terms and conditions and remuneration as set out in the letter of appointment dated 26th May, 2021 issued to him and laid before the Meeting, with the liberty and powers to the Board of Directors of the Company to increase, alter and vary the designation, salary, commission and perquisites, and/or other terms of his appointment in such manner as the Board in its absolute discretion deems fit and is acceptable to him subject to the limits and provisions as set out under Section 197 of the Companies Act, 2013 and/or as specified in Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits of the Company in any financial year, Mr. Priyavrata H Mafatlal (DIN 02433237) be paid the said remuneration as minimum remuneration subject to the terms and conditions prescribed in Schedule V to the Companies Act, 2013.

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RESOLVED FURTHER THAT pursuant to the Regulation 17(6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with the applicable provisions of the Companies Act, 2013 and Rules made thereunder, and Schedule V to the Companies Act, 2013, consent of the Members be and is hereby accorded to the payment of remuneration to Mr. Priyavrata H Mafatlal (DIN 02433237) as Managing Director & Chief Executive Officer (MD&CEO) of the Company and being a Promoter of the Company notwithstanding that it is in excess of 2.5 percent of the net profits of the Company (and in excess of 5 percent of the net profits of the Company for two executive directors who are promoters of the Company) as calculated under the provisions of Section 198 of the Companies Act, 2013 in any financial year during his tenure.

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.”

6. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT, pursuant to the provisions of Section 180(1) (a) of the Companies Act, 2013 (‘the Act’) read with the Companies (Management and Administration) Rules, 2014 and subject to other applicable provisions of the Acts and the Rules made thereunder, the provisions of the Memorandum and Articles of Association of the Company, the provisions of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) (including any statutory modification or re-enactment thereof for the time being in force) and such other provisions, approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the “Board” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the powers conferred by this resolution), to sell /lease/ transfer or otherwise dispose of in one or more tranches, the parcels of land & building/s, and remaining machinery, equipment, furniture, fixtures & fittings and any/all Assets of the Company’s Undertakings situated at Navsari in the State of Gujarat (herein after called “Navsari Undertakings”) even if it tantamounts to selling, transferring, leasing, or otherwise disposing of the whole or the substantially the whole of the Navsari Undertakings as contemplated under the provisions of Section 180 of the Act, in such manner as the Board may deem fit, in the interest of the Company, to one or more buyers/transferees/lessees not being a “related party” (as defined under the Act read with SEBI (LODR)) at such price as may be negotiated and agreed, on such terms and conditions as deemed fit by the Board.

“RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to finalize and execute necessary documents including but not limited to definitive Agreements, deeds of conveyance/assignments, deeds of lease, and other ancillary documents, at such time and in such manner as may be decided by the Board and to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to this resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of such assets as they may in their absolute discretion deem fit.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any Committee of Directors or any one or more Directors or Officers of the Company as may be required from time to time.”

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

Place: Ahmedabad

Dated: 26th May, 2021 and amended on 10th June, 2021

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 April 8, 2020 read together with circulars dated April 13, 2020, May 5, 2020 and January 13, 2021 (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") and the circulars issued by Bombay Stock Exchange (BSE), the AGM of the Company will be 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 that 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 6** mentioned in the above Notice, is annexed hereto which forms part of this Notice.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from **Saturday, 24th day of July, 2021 to Friday, 30th day of July, 2021 (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 at www.mafatlals.com under "Financial & Disclosures" Section (available for free download and review from the website). The Notice of the AGM forms part of the Annual Report 2020-21 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 as the 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 the Meeting shall be the Registered Office of the Company at 301-302, Heritage Horizon, 3rd floor, 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 and also provided at the end of this Annual Report.
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 2013-14 (declared on 100th AGM held on 5th August, 2014) has not been paid or claimed for 7 consecutive years or more, shall be required to be transferred by the Company, alongwith the said dividend, to Investor Education and Protection Fund on or after 11th September, 2021.** The details of the Members, who have not encashed their dividend warrants for the earlier years and whose shares are liable to be transferred to the IEPF Authority if they do not encash their dividend prior to said date, 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 and Company's Registrar & Share Transfer Agent - KFin Technologies Pvt. Ltd. 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 Agent - 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
11. It may be noted that the Company will provide Shareholders' cloth discount coupon to those members who request for the same. Shareholders may communicate with the Company on Company's email: ahmedabad@mafatlals.com or at the registered office of the Company .
12. The Notice for convening this 107th AGM and the Directors' Report 2020-21 were approved by the Board of Directors on 26th May, 2021 and amended on 10th June, 2021.

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

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statements sets out all material facts in respect of Items of Special Business mentioned at Sr. No.3 to 6 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. Bhalchandra C. Desai as the Cost Auditor for conducting the cost audit for the year 1st April, 2021 to 31st March, 2022 on a proposed remuneration ₹ 4,37,500/- (Rupees Four Lakhs Thirty-seven thousand Five hundred only) plus taxes and re-imbursment of out of pocket expenses incurred for the purpose of audit. The Board of Directors recommends 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:

Mr. Hrishikesh A Mafatlal (DIN 00009872), 67 years of age, is currently Executive Chairman of the Board of Directors of the Company. He has been on the Board of the Company since 1979. He did his graduation in Commerce with Honors and completed Advance Management Programme (AMP) at Harvard Business School, USA. He is an Industrialist having diversified experience of more than 44 years in the areas of Textiles, Chemicals, Petrochemicals, Financial Services etc. He is related (father of) to Mr. Priyavrata H Mafatlal, MD & CEO of the Company.

The Members of the Company at their 103rd Annual General Meeting held on 2nd August, 2017, appointed Mr. Hrishikesh A Mafatlal as an Executive Chairman of the Company for a period of five years with effect from 1st November, 2016 on the following remuneration :

- I (a) Basic Salary: ₹ 1,08,00,000/- per annum
- (b) Allowances, the aggregate monetary value of which shall not exceed ₹ 48,00,000/- per annum. These perquisites and allowances would be in addition to the items mentioned in clause "c" and "d " below:
- (c) Perquisites:
 - i. Fully furnished house or house rent not exceeding ₹ 54,00,000/- per annum in lieu thereof;
 - ii. Mediclaim Policy, Personal Accident Insurance, Leave Travel Concession and Club Fees as per the rules of the Company.
Perquisites will be valued as per the Income Tax Rules, wherever applicable, and in the absence of such Rules, the perquisites will be valued at the actual cost to the Company.
- (d) Apart from remuneration, Mr. Hrishikesh A 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. Hrishikesh A Mafatlal will be entitled to salary, perquisites, and other allowances as the minimum remuneration subject to the maximum limits and conditions prescribed in Section II of Schedule V to the Companies Act, 2013.

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.

Mr. Hrishikesh A Mafatlal is also Executive Chairman of NOCIL Limited. Pursuant to the applicable provisions of the Companies Act, 2013 read with Schedule V (Part II-section v) to the Companies Act, 2013, he shall draw remuneration from one or both companies, provided that the total remuneration drawn from the companies does not exceed the higher maximum limit admissible from any one of the companies of which he is a managerial person.

It may be noted that Mr. Hrishikesh A Mafatlal, Executive Chairman has voluntarily waived receiving his remuneration for the entire current term. Hence the Company has not paid any remuneration to him during his current tenure from 1st November, 2016.

After taking into account the financial position of the Company, trend in Industry, appointee qualifications, experience, past remuneration and overall performance, based on the recommendation and approval of the Nomination & Remuneration Committee, the Board of Directors of the Company at their meeting held on 26th May, 2021 (subject to the approval of the members of the Company at the ensuing Annual General Meeting) re-appointed Mr. Hrishikesh A Mafatlal as Executive Chairman of the Company on the terms and conditions of the remuneration as aforesaid (same scale as per his current appointment) for a further period of five years w.e.f. 1st November, 2021 till 31st October, 2026 and accordingly issued him a Letter of Appointment dated 26th May, 2021 mentioning the terms of his appointment.

A copy of the resolution passed by the Nomination & Remuneration Committee, the Board of Directors and also the said Letter of Appointment are available for inspection by the Members of the Company during working hours on all working days (Monday-Friday) except holidays, up to the date of the ensuing Annual General Meeting and will be laid before the ensuing Annual General Meeting.

It is proposed to re-appoint Mr. Hrishikesh A Mafatlal as Executive Chairman of the Company on the terms and conditions of the remuneration as aforesaid (same scale as per his current appointment) for a further period of five years w.e.f. 1st November, 2021 till 31st October, 2026. The requisite resolution has been proposed for the consideration of the members of the Company. The Board of Directors of the Company recommends passing of the said resolution as a Special Resolution as proposed relating to his re-appointment.

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

Further, the information as required under SEBI (LODR) Regulations, 2015 as amended relating to the appointee is also annexed herewith forming a part of this notice.

The Board of Directors recommend to the members to pass the aforesaid resolution as a Special Resolution.

None of the Directors, Key Managerial Personnel and/or their relatives except Mr. Hrishikesh A Mafatlal and Mr. Priyavrata H Mafatlal (son of Mr. Hrishikesh A Mafatlal) and their relatives to the extent of their shareholdings, are concerned or interested in the resolution.

In respect of Item No. 5:

Mr. Priyavrata H. Mafatlal (DIN 02433237) aged 34 years, has done his Master of Commerce from Mumbai University after completing Bachelor's in Management Studies (with specialization in Marketing). He had attended 3 tier Management Programmes at IIM, Ahmedabad and also done Fashion Business Course from Istituto Marangoni, London (UK). He is an Industrialist having diversified experience of more than 13 years in the areas of Textiles and other Businesses. He is related to (son of) Mr. Hrishikesh A. Mafatlal, Executive Chairman of the Company. He is Managing Director & Chief Executive Officer of Mafatlal Industries Limited. He is a Non- Executive Director in NOCIL Limited.

The shareholders of the Company at the 103rd Annual General Meeting held on 2nd August, 2017 appointed Mr. Priyavrata 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.

It may be noted that 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. Further, the Board of Directors has at their meeting held on 17th December, 2018 as recommended by Nomination & Remuneration Committee, 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.

Mr. Priyavrata H Mafatlal has taken over charge of the Company as Chief Executive Officer (continued to be Executive Director) with effect from 1st April, 2019 post the resignation of the then Managing Director Mr. Aniruddha Deshmukh. Based on the recommendation of NRC and approval of the Board, the shareholders of the Company at the 106th Annual General Meeting (AGM) held on 10th September, 2020 approved his appointment as Managing Director & CEO of the Company for the remaining term w.e.f. 1st July, 2020 till 31st October, 2021. In the capacity of MD & CEO, he is satisfactorily driving the turnaround of the business of the Company amidst the tough business scenario. He is also working on identifying & implementing the new business opportunities to drive the future growth of the Company. Hence looking to the enlarged role & higher responsibility, based on the recommendation and approval of Nomination & Remuneration Committee, the Board of Directors at their meeting held on 3rd March, 2021 revised the remuneration as mentioned below, to Mr. Priyavrata H Mafatlal as MD & CEO w.e.f. 1st April, 2021 till end of his tenure on 31st October, 2021 :-

- I (a) Basic Salary: ₹ 52,00,000/- per annum
- (b) Allowances, the aggregate monetary value of which shall not exceed ₹ 37,60,000/- 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 ₹ 15,60,000/- per annum in lieu thereof;
 - ii. Medclaim 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.

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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.

After taking into account the financial position of the Company, trend in Industry, appointee qualifications, experience, past remuneration and overall performance, based on the recommendation and approval of the Nomination & Remuneration Committee, the Board of Directors of the Company at their Meeting held on 26th May, 2021 (subject to the approval of the members of the Company at the ensuing Annual General Meeting) re-appointed Mr. Priyavrata H Mafatlal as Managing Director & Chief Executive Officer of the Company on the terms and conditions of the remuneration as aforesaid (same scale as paid to him w.e.f. 1st April, 2021) for a further period of five years w.e.f. 1st November, 2021 till 31st October, 2026 and accordingly issued him a Letter of Appointment dated 26th May, 2021 mentioning the terms of his appointment.

A copy of the resolution passed by the Nomination & Remuneration Committee, the Board of Directors and also the said Letter of Appointment are available for inspection by the Members of the Company during working hours on all working days (Monday-Friday) except holidays up to the date of the ensuing Annual General Meeting and will be laid before the ensuing Annual General Meeting.

It is proposed to re-appoint Mr. Priyavrata H Mafatlal as Managing Director & Chief Executive Officer of the Company on the terms and conditions of the remuneration as aforesaid for a further period of five years w.e.f. 1st November, 2021 till 31st October, 2026. The requisite resolution has been proposed for the consideration of the members of the Company. The Board of Directors of the Company recommends passing of the said resolution as a Special Resolution as proposed relating to his re-appointment.

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

Further, the information as required under SEBI (LODR) Regulations, 2015 as amended relating to the appointee is also annexed herewith forming a part of this Notice.

The Board of Directors recommend to the members, pass the aforesaid resolution as a Special Resolution.

None of the Directors, Key Managerial Personnel and/or their relatives except Mr. Priyavrata H Mafatlal and Mr. Hrishikesh A Mafatlal (father of Mr. Priyavrata H Mafatlal) and their relatives to the extent of their shareholdings, are concerned or interested in the resolution.

In respect of Item No. 6.

The shareholders are aware that the Company has been incurring losses for the last over five years. The Losses of the Company for the financial years ended 31st March, 2017, 31st March, 2018, 31st March, 2019, 31st March, 2020 and 31st March, 2021 were ₹ 691.70 lakhs, ₹ 4,194.82 lakhs, ₹ 18,007.04, ₹ 1,370.80 lakhs and ₹ 9,375.42 lakhs respectively. For over last five years, the Company has passed through extremely challenging business situations. During 2017 to 2019 the Company faced huge losses in its denim operations at Navsari. The Company took several strategic & operational steps for the revival of Denim operations, such as changes in the management team, focus on product developments and driving cost reduction etc. Since all those efforts could not lead to reviving the denim business, ultimately during 2019-20 the Board took a final decision to close down the denim operations at Navsari to cut down huge losses of the Company and offered compensation towards voluntary retirement scheme to all workers/employees at Navsari. With the approval of the shareholders obtained by the Company through postal ballot dated 16th May, 2019, the Company sold-off certain assets including machinery, equipment and other non-core assets to mobilise the funds to pay the Company's liabilities on account of VRS, paying-off the creditors, repayment of loans, and other liabilities. Accordingly, the Company's operations at Navsari were closed down. The workers liabilities were settled. Presently there is no manufacturing operations at Navsari plants.

Even during FY 2020-21, the Company has incurred huge losses as its business has been further severely impacted on account of all-round business disruptions caused by COVID-19 pandemic in Indian as well as world markets. As of today, the Company has creditors and other liabilities including bankers' liabilities to pay and accordingly it was thought fit to consider sell /lease/ transfer or otherwise dispose-off in one or more tranches, land & building/s, and remaining machinery, equipment, furniture, fixtures & fittings and other assets situated at Company's Undertakings at Navsari.

The sale of the land & buildings and other assets as mentioned hereinabove, will tantamount to selling, leasing, or disposing of the whole or substantially the whole of the Undertakings at Navsari as envisaged under the provisions of Section 180 of the Companies Act, 2013. Accordingly, as required under the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, Rules made thereunder and SEBI (LODR) Regulations, 2015 and other applicable provisions, as amended, the Special Resolution as aforesaid is proposed for the approval of the members of the Company.

The Company will dispose-off the said assets with the one or more parties who not being a "Related Party" (as defined under the Act read with SEBI (LODR) i.e. not related in any way with the Company's Promoters or Directors or Key Managerial Persons) at such price as may be negotiated and on such terms and conditions as deemed fit by the Board subject to the requisite approvals.

The Board of Directors recommends to the members, pass the aforesaid resolution as a Special Resolution.

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

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

Place: Ahmedabad

Dated: 26th May, 2021 and amended on 10th June, 2021

Ashish A. Karanji
Company Secretary (ACS :15561)

Regd. Office:

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

Annexure II to Notice

Particulars of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended 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 Director in the Company	No. of Board Meetings held and attended during 2020-21
<p>Mr. Hrishikesh A. Mafatlal (67 years) (DIN 00009872)</p> <p>He did his graduation in Commerce with Honors, from Sydenham College and also Completed Advance Management Programme (AMP) at Harvard Business School, USA.</p> <p>He has been on the Board of Directors of the Company since 1979. He is Executive Chairman of the Company.</p>	<p>He is an Industrialist having diversified experience of more than 44 years in the areas of Textiles, Chemicals, Petrochemicals, Financial Services etc.</p>	<p>He is related (father of) to Mr. Priyavrata H. Mafatlal, MD & CEO of the Company</p>	<p>Executive Chairman of: Mafatlal Industries Ltd NOCIL Limited</p> <p>Membership of the Committees of the Board of: Mafatlal Industries Limited: - Chairman of Corporate Social Responsibility Committee - Member of Stakeholders Relationship Committee - Member of Share Transfer Committee NOCIL Limited: - Chairman of Corporate Social Responsibility Committee - Chairman of Share Transfer Committee - Member of Stakeholders Relationship Committee - Member of Nomination and Remuneration Committee - Member of Risk Management Committee</p>	<p>He holds 26,73,046 equity shares of the Company of ₹ 10/- each</p>	<p>Attended all the 9 Meetings held.</p>
<p>Mr. Priyavrata H. Mafatlal (34 years) (DIN 02433237)</p> <p>He has done his Master of Commerce from Mumbai University after completing Bachelor's in Management Studies (with specialization in Marketing). He had attended 3 tier Management Programmes at IIM Ahmedabad and also done Fashion Business Courses from Istituto Marangoni, London (UK). He was appointed as Executive Director of the Company for a period of five years w.e.f. 1st November, 2016. His current designation is Managing Director & CEO of the Company.</p>	<p>He is an Industrialist having diversified experience of more than 13 years in the areas of Textiles and other Businesses.</p>	<p>He is related to (son of) Mr. Hrishikesh A. Mafatlal, Executive Chairman of the Company.</p>	<p>He is Managing Director & Chief Executive Officer of Mafatlal Industries Limited. He is a Non- Executive Director in NOCIL Limited</p> <p>Membership of the Committees of the Board of: Mafatlal Industries Limited: - Member of Share Transfer Committee NOCIL Limited: - Member of Share Transfer Committee</p>	<p>He holds 5,60,991 equity shares of the Company of ₹ 10/- each</p>	<p>Attended all the 9 Meetings held.</p>

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

Mr. Hrishikesh A. Mafatlal, Executive Chairman has voluntarily waived receiving remuneration since his appointment from 1st November, 2016. Accordingly, the Company did not pay him any remuneration.

Mr. Priyavrata H Mafatlal, Managing Director & CEO of the Company has been paid remuneration of ₹ 58.65 lacs for the year 2020-21. Further details of the remuneration is provided in annexure to Directors' Report as a part of statutory disclosures.

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

Place: Ahmedabad
Dated: 26th May, 2021

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

107th Annual Report 2020-21

Annexure III to the Notice

The information as required under para (iv) of Section II of Part II of Schedule V to the Companies Act, 2013 in respect of the re-appointments of Mr. Hrishikesh A. Mafatlal, Executive Chairman and Mr. Priyavrata H Mafatlal, Managing Director & CEO of the Company for a period of five years w.e.f. 1st November, 2021:

I. General Information:

(1) Nature of Industry:

The Company is engaged in the Manufacture and trading of Textiles and other products.

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

Not applicable

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

Not applicable

(4) Financial performance based on given indicators:

(₹ In Lakhs)

	Current Year (2020-21)	Previous Year (2019-20)
Total Turnover & other operational income	63,784.20	1,06,212.31
EBIDTA	(1,112.29)	4,984.52
Net Profit after tax	(9,375.00)	(1,370.80)

(5) Foreign investment or collaboration:

None

II. Information about the appointees:

(1) Background details:

Mr. Hrishikesh A. Mafatlal (DIN 00009872) aged 67 years, He did his graduation in Commerce with Honors, from Sydenham College and also Completed Advance Management Programme (AMP) at Harvard Business School, USA. He has been on the Board of Directors of the Company since 1979. He is Executive Chairman of the Company. He is an Industrialist having diversified experience of more than 44 years in the areas of Textiles, Chemicals, Petrochemicals, Financial Services etc. He is related (father of) to Mr. Priyavrata H Mafatlal, MD & CEO of the Company. The Members of the Company at their 103rd Annual General Meeting held on 2nd August, 2017 appointed Mr. Hrishikesh A Mafatlal as an Executive Chairman of the Company for a period of five years with effect from 1st November, 2016 till 31st October, 2021.

Mr. Priyavrata H. Mafatlal (DIN 02433237) aged 34 years, has done his Master of Commerce from Mumbai University after completing Bachelor's in Management Studies (with specialization in Marketing). He had attended 3 tier Management Programmes at IIM Ahmedabad and also done Fashion Business Course from Istituto Marangoni, London (UK). He is an Industrialist having diversified experience of more than 13 years in the areas of Textiles and other Businesses. The shareholders of the Company at the 103rd Annual General Meeting held on 2nd August, 2017 appointed Mr. Priyavrata 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. Currently he is designated as Managing Director & CEO of the Company w.e.f. 1st July, 2020.

(3) Past Remuneration:

It may be noted that Mr. Hrishikesh A Mafatlal, Executive Chairman has voluntarily waived receiving his remuneration for the entire current term from 1st November, 2016 to 31st October, 2021. Hence the Company has not paid any remuneration to him during his current tenure as per his terms of appointment, though he has been eligible for remuneration upto ₹ 240 lacs p.a.

Mr. Priyavrata H Mafatlal, Managing Director & CEO of the Company has been paid remuneration of ₹ 58.65 lacs during the year 2020-21.

(4) Job Profile and suitability:

Mr. Hrishikesh A. Mafatlal, is an Industrialist having diversified experience of more than 44 years in the areas of Textiles, Chemicals, Petrochemicals, and Financial Services etc Looking to his overall exposure, experience and responsibilities shouldered by him, he is suitable for the position.

Mr. Priyavrata H. Mafatlal has gained varied experience and exposure in working with different businesses and divisions of the Company as well as other group companies for over 13 years. Looking to his overall exposure, experience and responsibilities shouldered by him, he is suitable for the position.

(5) **Remuneration proposed:**

The remuneration proposed, for both Mr. Hrishikesh A Mafatlal and Mr. Priyavrata H. Mafatlal, is mentioned in Explanatory Statement in respect of item number 4 and 5 of the Notice convening 107th Annual General Meeting.

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

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

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

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

III. Other Information:

➤ **Reasons of loss or inadequate profits:**

The textile sector largely depends on discretionary spending of the consumer, and consumer spending was severely affected during the fiscal year 2020-21 with impact of COVID-19. The industry witnessed significant contraction of demand in both Domestic and International markets, till the second quarter. However, the consumption and production improved during the latter half of the year on account of pent-up demand as economy started to return to normal. COVID-19 pandemic led to huge disruptions during most part of the year (FY 2020-21) for Indian as well as International Markets as most nations resorted to lockdown and closure of non-essential economic activities. With the COVID-19 led lockdown across Country, the performance of Company in H1FY21 was severely impacted as the Company witnessed loss of production, order cancellations & substantial loss of revenue along with the burden of high fixed cost. School Uniform Fabric and Garment has the largest share in Company's product portfolio which remains as one of the most impacted line of business, as schools remained closed through-out the year. On account of adverse impact of COVID-19 on the overall operations of the Company, Revenue declined by 40% to ₹ 63,784.20 Lakhs and Earnings Before Interest & Depreciation (EBIDTA) turned negative to ₹ 1,112.32 Lakhs.

➤ **Steps taken or proposed to be taken for improvement and Expected increase in productivity and profits in measurable terms:**

Although the H1FY21 performance was impacted by COVID-19, during latter part of the year, Company witnessed improved business scenarios with increasing volumes as a result of a series of strategic decisions. Company also undertook strategic initiative for moving towards lean management by downsizing of its management structure. During the year, Company gained it's positions as supplier of protective wear (PPE suits, Face Mask, Face Shield etc.), hygiene products (Adult Diaper and Baby Diaper etc) and uniform solutions for public and private institutions. The Company has taken major steps towards developing and establishing product range of Hygiene & Healthcare and Uniform Solutions. As the Business Environment remains uncertain due to unknown duration of the COVID-19 pandemic and related economic consequences, the Company continues to focus on reducing fixed costs, downsizing of loss making operations, driving momentum through strategy of outsourcing by continuously calibrating its product portfolio, cash conservation and monetisation of its non-core/ idle assets. The Company is confident that with the current strategic & other initiatives undertaken, it will be able to withstand the ongoing disruption over the near term and shall emerge stronger in the medium term.