



Mafatlal

MAFATLAL INDUSTRIES LIMITED



ARVIND MAFATLAL GROUP
The ethics of excellence

Caution regarding forward-looking statements

This document contains statements about expected future events and financial and operating results of Mafatlal Industries Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Mafatlal Industries Limited annual report 2014-15.

Contents

01	Corporate Information
02	Notice
10	Summarised financial data
12	Directors' Report
15	Management Discussion and Analysis
17	Corporate Governance Report
48	Standalone financial statements
96	Consolidated financial statements

Corporate Information

Mafatlal Industries Limited

(CIN L17110GJ1913PLC000035)

Board of Directors

Shri H. A. Mafatlal (DIN:00009872)	Chairman
Shri P. R. Amin (DIN:00171677)	Director
Shri N. K. Parikh (DIN:00058995)	Director
Shri V. R. Gupte (DIN:00011330)	Director
Shri P. N. Kapadia (DIN:00078673)	Director
Shri A. K. Srivastava (DIN:00046776)	Director
Smt L. P. Pradhan (DIN:07118801)	Additional Director
Shri G. G. Chakravarti (DIN:00004399)	Additional Director
Shri S. A. Shah (DIN:00058019)	Additional Director
Shri V. P. Mafatlal (DIN:00011350)	Vice-Chairman
Shri Rajiv Dayal (DIN:00381229)	Managing Director & Chief Executive Officer

Company Secretary

Shri A. A. Karanji

Auditors

M/s. Deloitte Haskins & Sells
Chartered Accountants

Solicitors

M/s. Vigil Juris

Registered Office (With Effect From 1st June, 2015)

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: (both Textiles and Denim Units)

Vejalpore Road, Navsari - 396 445.

Mazgaon, Mumbai:

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

Shareholders' Information

101st Annual General Meeting on

Wednesday, the 12th August, 2015 at 10.00 a.m.
at J. B. Auditorium, Ahmedabad Management
Association, ATIRA Campus, Dr. Vikram Sarabhai
Marg, Vastrapur, Ahmedabad-380 015

Registrar & Share Transfer Agents

Sharepro Services (India) Pvt. Ltd.
Samhita Warehousing Complex, 2nd Floor,
Gala No.52 to 56, Bldg.No.13 A-B,
Near Sakinaka Telephone Exchange,
Andheri-Kurla Road, Sakinaka,
Mumbai - 400 072.
Tel: 91 22 6772 0300 / 6772 0400
Fax: 91 22 2859 1568 / 2850 8927
E-mail: sharepro@shareproservices.com

Investor Relations Centre

- 1) 912, Raheja Centre, Free Press Journal Road
Nariman Point, Mumbai - 400 021.
Tel: 91 22 6613 4700
Fax: 91 22 2282 5484
- 2) Devnandan Mega Mall
Office No. 416-420, 4th Floor,
Opp. Sanyas Ashram, Ashram Road,
Ahmedabad - 380 006.
Tel: 91 79 2658 2381 / 2384

Notes

1. Trading in Equity Shares of the Company is permitted only in dematerialized form as per notification issued by SEBI. Demat Code of Mafatlal Industries Limited ISIN: INE270B01027
2. The Shares of the Company are listed on BSE Ltd. and Ahmedabad Stock Exchange Ltd. and the Listing Fees for both the Exchanges have been paid by the Company for the year 2015-16.
3. The Shareholders are requested to notify change in address, if any, immediately to the Registrar & Transfer Agents at the above address mentioning their Folio Numbers along with valid proof of new address.
4. Shareholders intending to require information about accounts to be explained in the Meeting are requested to inform the Company at least seven days in advance of the Annual General Meeting.
5. Shareholders are requested to bring their copy of the Annual Report to the Meeting as the practice of handing out copies of the Annual Report at the Annual General Meeting has been discontinued since long in view of the high cost of paper and printing.

Notice

NOTICE IS HEREBY GIVEN THAT the 101st Annual General Meeting of the Members of the Company will be held on **Wednesday, the 12th August, 2015 at 10.00 a.m. at J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad-380 015**, to transact the following business:

ORDINARY BUSINESS

- (1) To consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2015 including Statement of Profit and Loss for the year ended 31st March, 2015 and the Balance Sheet as at that date, the Directors' Report and the Auditor's Report thereon as also consolidated financial statements for that financial year.
- (2) To declare Dividend for the year 2014-15 on Equity Shares of the Company.
- (3) To appoint a Director in place of Shri Atul Kumar Srivastava (holding DIN 00046776) who retires by rotation and being eligible, offers himself for re-appointment.
- (4) To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara, (having Registration No.117364W), as Auditors of the Company approved by ordinary resolution passed at the 100th Annual General Meeting of the Company, to hold office from the conclusion of the 100th Annual General Meeting until the conclusion of the 103rd Annual General Meeting, be and is hereby ratified for the balance term and accordingly they continue to hold office from the conclusion of the 101st Annual General Meeting until the conclusion of the 103rd Annual General Meeting on such remuneration as may be fixed by the Board, apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit.”

SPECIAL BUSINESS

- (5) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of

the Companies Act, 2013 and Rules made thereunder read with Schedule IV to the Companies Act, 2013, Smt. Latika P. Pradhan (holding DIN 07118801), (who was appointed as an Additional Director of the Company by the Board of Directors with effect from 17th April, 2015, in terms of Section 161(1) of the Companies Act, 2013 and Article 141 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting) in respect of whom the Company has, received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Independent Woman Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder read with Schedule IV to the Companies Act, 2013, Shri Gautam G. Chakravarti (holding DIN 00004399), (who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30th May, 2015, in terms of Section 161(1) of the Companies Act, 2013 and Article 141 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting) in respect of whom the Company has, received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder read with Schedule IV to the Companies Act, 2013, Shri Sujal A. Shah (holding DIN 00058019), (who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30th May, 2015, in terms of Section 161(1) of the Companies Act, 2013 and Article 141 of the Articles of Association of the Company and whose term of office expires at this Annual General Meeting) in respect of whom

the Company has, received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years."

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

"RESOLVED THAT pursuant to the provisions of Section 143(8) read with Sections 139, 141 and 142 of the Companies Act, 2013, the appointment of M/s. Sorab S. Engineer & Co., Chartered Accountants, Mumbai, (ICAI Registration No.110417W), as the Branch Auditors of the Company approved by ordinary resolution passed at the 100th Annual General Meeting of the Company, to hold office from the conclusion of the 100th Annual General Meeting until the conclusion of the 103rd Annual General Meeting, for the audit of books of accounts of the Branch Offices of the Company at Ahmedabad and Nadiad, be and is hereby ratified for the balance term and accordingly they continue to hold office from the conclusion of the 101st Annual General Meeting until the conclusion of the 103rd Annual General Meeting on such remuneration as may be recommended by the Audit Committee and determined by the Board of Directors of the Company in consultation with the Branch Auditors apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit."

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

"RESOLVED THAT pursuant to the provisions of Section 143(8) read with Sections 139, 141 and 142 of the Companies Act, 2013, the appointment of M/s. C. C. Chokshi & Co., Chartered Accountants, Ahmedabad, (ICAI Registration No.101876W), as the Branch Auditors of the Company approved by ordinary resolution passed at the 100th Annual General Meeting of the Company, to hold office from the conclusion of the 100th Annual General Meeting until the conclusion of the 103rd Annual General Meeting, for the audit of books of accounts of the Branch Offices of the Company at Ahmedabad and Nadiad, be and is hereby ratified for the balance term and accordingly they continue to hold office from the conclusion of the 101st Annual General Meeting until

the conclusion of the 103rd Annual General Meeting on such remuneration as may be recommended by the Audit Committee and determined by the Board of Directors of the Company in consultation with the Branch Auditors apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit."

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 198, and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013 including any statutory modification or re-enactment thereof, for the time being in force, and subject to the approval of the Central Government, if required, approval of the members of the Company be and is hereby accorded to the managerial remuneration for the year 2014-15 paid to Shri V. P. Mafatlal, Executive Vice-Chairman aggregating to ₹ 118.01 Lacs (Salary, Perquisites and allowances as calculated in terms of Sections 197 and 198 read with Schedule V to the Companies Act, 2013) notwithstanding it being in excess of the limits prescribed under the said Section 197 (1) of the Companies Act, 2013 and the recovery of such excess is hereby waived."

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 198, and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013 including any statutory modification or re-enactment thereof, for the time being in force read with General Circular No.07/2015 dated 10th April, 2015 issued by Ministry of Corporate Affairs, Government of India and subject to the approval of the Central Government, if required, approval of the members of the Company be and is hereby accorded to the managerial remuneration for the year 2014-15 paid to Shri Rajiv Dayal, Managing Director & Chief Executive Officer of the Company aggregating to ₹ 135.48 Lacs (Salary, Perquisites and allowances as calculated in terms of Sections 197 and 198 read with Schedule V to the Companies Act, 2013) notwithstanding it being in excess of the limits prescribed under the said provisions of Section 197(1) and the recovery of such excess amount is hereby waived."

- (12) To consider and, if thought fit, to pass the following Resolution, with or without modifications, 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, payment of Remuneration of ₹ 4,50,000/- (Rupees Four Lacs Fifty Thousand only) (apart from re-imbursement of out-of-pocket expenses incurred for the purpose of Audit) to Shri I. V. Jagtiani, Cost Auditor, (Membership Number M-997), (Lead Cost Auditor) for conducting the audit of Cost Accounting Records relating to the ‘Textiles’ products manufactured and traded by the Company for the year 1st April 2015 to 31st March, 2016 be and is hereby approved and ratified.”

- (13) To consider and, if thought fit, to pass the following Resolution, with or without modifications, 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, payment of Remuneration of ₹ 1,75,000/- (Rupees One Lac Seventy Five Thousand only) (apart from re-imbursement of out-of-pocket expenses incurred for the purpose of Audit) to Shri B. C. Desai, Cost Auditor, (Membership Number M-1077), for conducting the audit of Cost Accounting Records relating to the ‘Textiles’ products manufactured and traded by the Company for the year 1st April 2015 to 31st March 2016 be and is hereby approved and ratified.”

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

Place: Mumbai
Dated 30th May, 2015

A. A. Karanji
Company Secretary

Regd. Office (Upto 30th May, 2015):

Mafatlal Industries Limited
(CIN L17110GJ1913PLC000035)
Asarwa Road, Ahmedabad 380016
Tel: 079 -22123944-45, Fax: 079-22123045,
Email: ahmedabad@mafatlals.com
Website: www.mafatlals.com

NOTES

1. With effect from **1st June, 2015**, the Registered Office of the Company is shifted within the city of Ahmedabad. The details are as follows:

Registered 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

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

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

3. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item Nos. 5 to 13 mentioned in the above Notice, is annexed hereto.
4. **The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, the 6th August, 2015 to Wednesday, the 12th August, 2015 (both days inclusive) for the purpose of payment of dividend.**
5. The dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid from 17th August, 2015. In order to enable the Company, to directly credit the dividend amount in the bank accounts:
 - a) Shareholders holding shares in demat accounts are requested to update their Bank Account details with their respective Depository Participants.

- b) Shareholders holding shares in physical form are requested to provide the following details along with an authorization letter allowing the Company to directly credit the dividend in their bank accounts:

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

6. Smt. Latika P. Pradhan, Shri Gautam G. Chakravarti and Shri Sujal A. Shah, Additional Directors seeking appointment at this Meeting do not hold any shares in the Company.
7. Members are requested to note that pursuant to the provisions of Section 205C of the Companies Act, 1956 the dividend remaining unclaimed / unpaid for a period of seven years from the date it becomes due for payment shall be credited to the Investor Education and Protection Fund (Fund) set up by the Central Government. The details of members who have not encashed their dividend warrants for the year 2012-13 and 2013-14 are available under the head 'Financials'

section on the Website of the Company viz. www.mafatlals.com. Members who have not encashed their dividend warrants are advised to write to the Company immediately.

8. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Company and has issued circulars allowing service of notices/documents including annual report by e-mail to its members. To support this green initiative of the government in full measure, members who have not registered their e-mail addresses so far, are requested to register the same in respect of electronic holdings with the depository through their depository participants. Members who are holding shares in physical form are requested to get their e-mail addresses registered with the Registrar and Share Transfer Agents of Company.
9. In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, e-voting facility is being provided to the Members. Details of the e-Voting process and the relevant details are being sent to all the Members along with the Notice.

Annexure to Notice

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

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statements sets out all material facts in respect of items mentioned at Sr. No.5 to 13 of the accompanied Notice dated 30th May, 2015.

In respect of Item No. 5:

Smt. Latika Pradhan is a Chartered Accountant, Cost & Management Accountant, Company Secretary and Law Graduate with experience of over 35 years in various industries, heading Finance, Legal & Secretarial, Internal Audit and IT Functions. She was appointed as an Additional Director (Independent Director) by the Board of Directors of the Company w.e.f. 17th April, 2015, in terms of the provisions of Section 161(1) of the Companies Act, 2013 and Article 141 of the Articles of Association of the Company and her term of office expires at this Annual General Meeting.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Smt. Latika Pradhan, being eligible and who had offered herself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years. As required under Section 160 of the Companies Act, 2013, a notice has been received from a member of the Company along with requisite deposit signifying his intention to propose Smt. Latika Pradhan as a candidate for the office of the Independent Director of the Company.

In the opinion of the Board, Smt. Latika Pradhan fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder read with the provisions of the Listing Agreement for her appointment as an Independent Director of the Company and is independent of the management of the Company. Having regard to her qualifications, knowledge and experience, her appointment as an Independent Director will be in the interest of the Company. She does not have any shareholding in the Company.

A copy of the draft letter of appointment proposed to be issued to Smt. Latika Pradhan, as an Independent Director of the Company, setting out the terms and conditions of appointment, would be available for inspection without any fee by the members at the Registered Office of the Company, during normal business hours on any working day excluding Saturday. The Board recommends her appointment as an Independent Director in the interest of the Company.

None of the Directors, key managerial personnel and/or their relatives except Smt. Latika Pradhan, is concerned or interested in the Resolution.

In respect of Item Nos. 6 & 7:

The Board of Directors of the Company at their Meeting held on 30th May, 2015, appointed Shri Gautam G. Chakravarti and Shri Sujal A. Shah as Additional Directors (Independent Director) of the Company w.e.f. 30th May, 2015, in terms of the provisions of Section 161(1) of the Companies Act, 2013 and Article 141 of the Articles of Association of the Company and their term of office expires at this Annual General Meeting.

Shri Gautam G. Chakravarti holds a Degree in Physics followed by a Masters in Economics and has done Post Graduate Program in Management from IIM, Ahmedabad. He has also undergone Executive Development Programs with Sloan School, MIT, Boston, USA and Wharton Business School, Penn, USA. He has over 38 years of diversified business experience in multinational companies and large Indian Business Houses in multi-cultural environments in senior positions. Presently, he is CEO and Whole-time Director of Gokaldas Exports Limited.

Shri Sujal A. Shah is a Practicing Chartered Accountant having an overall experience of 22 years in the fields of Valuations, Due Diligences, Corporate Restructuring and Advisory. He is founder Partner of SSPA & Company, Chartered Accountants, Mumbai and is involved in Corporate Consultancy practice of the firm. He was Partner of M/s. N. M. Raiji & Company, Chartered Accountants, till October, 2006.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Gautam G. Chakravarti and Shri Sujal A. Shah, being eligible and who have offered themselves for appointment, are proposed to be appointed as Independent Directors for a term of five consecutive years. As required under Section 160 of the Companies Act, 2013, notices have been received from the members of the Company along with requisite deposits signifying their intention to propose Shri Gautam G. Chakravarti and Shri Sujal A. Shah respectively, as candidates for the office of the Independent Directors of the Company.

In the opinion of the Board, Shri Gautam G. Chakravarti and Shri Sujal A. Shah both fulfill the conditions specified in the Companies Act, 2013 and Rules made thereunder read with the provisions of the Listing Agreement for their appointment as Independent Directors of the Company and are independent of the management of the Company. Having regard to their qualifications, knowledge and experience, their appointment as Independent Directors will be in the interest of the Company. Both of them do not have any shareholding in the Company.

Copies of the draft letters of appointment proposed to be issued to Shri Gautam G. Chakravarti and Shri Sujal A. Shah, as Independent Directors of the Company, setting out the terms and conditions of appointment, would be available for inspection without any fee by the members at the Registered Office of the Company, during normal business hours on any working day excluding Saturday. The Board recommends their appointment as Independent Directors in the interest of the Company.

None of the Directors, key managerial personnel and/or their relatives except Shri Gautam G. Chakravarti and Shri Sujal A. Shah, is concerned or interested in the Resolution.

In respect of Item Nos. 8 & 9

The Resolutions are proposed to be passed in conformity with the provisions of Section 148(8) of the Companies Act, 2013 for the ratification of appointment of M/s. Sorab S. Engineer & Co., Chartered Accountants, Mumbai and M/s. C. C. Chokshi & Co., Chartered Accountants, Ahmedabad, as the Branch Auditors of the Company for the audit of the accounts of the Company's Branch Offices at Ahmedabad and Nadiad for the balance term and accordingly they continue to hold office from the conclusion of the 101st Annual General Meeting until the conclusion of the 103rd Annual General Meeting on such remuneration, as may be recommended by the Audit Committee and determined by the Board of Directors of the Company, apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit.

The Board recommends the passing of the above resolutions.

None of the Directors, key managerial personnel and/or their relatives is concerned or interested in the Resolutions.

In respect of Item Nos. 10 & 11

The Company has continued its long term business strategy of investing in modernization of its manufacturing facilities, expansion of capacities and this year also (2014-15), it has invested ₹ 42.39 Crores (₹ 18.59 crores in Textiles and ₹ 23.80 Crores in Denim operations). During the year 2014-15, the profit and loss account of the Company has been impacted by the interest on loans taken to fund the capital expenditure and the depreciation charges in respect of new capital assets procured. Higher power costs due to non-availability of exchange traded power (trading in electricity over exchange), oversupply of products and low margins due to stiff competition from the unorganized sector has also put pressure on the Margins. During the year 2014-15, the Company has made net profit of ₹ 2432.19 Lacs. However, for the purpose of calculating the

managerial remuneration, the net profit calculated as per the provisions of Section 198 of the Companies Act, 2013 is ₹ 328.52 Lacs. Therefore, there has been excess payment of managerial remuneration aggregating to ₹ 220.63 Lacs during 2014-15 (₹ 101.58 Lacs for Shri V. P. Mafatlal and ₹ 119.05 Lacs for Shri Rajiv Dayal). It may be noted that though managerial remuneration paid to Shri V. P. Mafatlal exceed the limits mentioned under the provisions of Section 197 of the Companies Act, 2013, but it does not exceed the limits mentioned under Schedule V to the Companies Act, 2013. Besides, Shri Rajiv Dayal being a professional director not having any relationship with the Promoters of the Company and also not holding any shares in the capital of the Company, as per the clarification issued by Ministry of Corporate Affairs vide their general circular no. 7 of 2015 dated 10th April, 2015 read with erstwhile Schedule XIII to the Companies Act, 1956, he will continue to be governed by those provisions for his balance term of appointment. Accordingly, the managerial remuneration paid to both these managerial personnel is recommended for approval by members of the Company by way of Special Resolutions. It may be noted that Shri Vishad P. Mafatlal, 40 years of age, is a Bachelor of Science in Economics from the Wharton School, University of Pennsylvania, USA. He is an Industrialist having business experience of more than 16 years in Textiles, Chemicals and other businesses. He was appointed as a Director on the Board of Directors of the Company w.e.f. 10th October, 2012. He is also one of the Promoters of the Company. Shri Vishad P. Mafatlal was also holding the statutory position of Joint Managing Director of erstwhile Mafatlal Denim Limited. As per the Scheme of Arrangement and Amalgamation sanctioned by the Hon'ble High Court of Gujarat and the Hon'ble High Court of Bombay vide Orders dated 8th April, 2013 and 26th April, 2013 respectively, all the employees of Mafatlal Denim Limited were to be transferred to Mafatlal Industries Limited with effect from 28th May, 2013. Since Shri Vishad P. Mafatlal was holding the statutory position of Joint Managing Director of Mafatlal Denim Limited, his services were transferred to Mafatlal Industries Limited in the capacity of an employee with continuity of service.

Shri Rajiv Dayal is a Managing Director and Chief Executive Officer of the Company. He has experience of over 37 years. He has experience and knowledge in the field of manufacturing and marketing of Textile and Denim products. He does not have any direct or indirect interest in the capital of the Company or through any other statutory structures at any time during last two years before or on the date of appointment and is having a specialized knowledge in the field of his profession.

Shri Rajiv Dayal was appointed as a Director on the Board of Directors of the Company w.e.f. 10th October, 2012. He was also holding the statutory position of Managing Director and CEO of Mafatlal Denim Limited and in accordance with the said Scheme of Arrangement and Amalgamation, his services were transferred to Mafatlal Industries Limited in the capacity of an employee of the Company with continuity of service.

The shareholders had at the 99th Annual General Meeting held on 31st July, 2013 approved the appointment of Shri V. P. Mafatlal as Executive Vice-Chairman and Shri Rajiv Dayal as Managing Director & CEO of the Company for a period of five years w.e.f. from 28th May, 2013. Accordingly both were paid remuneration as employees of the Company during the year 2014-15 based on the remuneration already approved by the shareholders at the AGM as aforesaid.

There has been an inadequacy of profits calculated as per the provisions of section 198 of the Companies Act, 2013 due to the reasons explained hereinabove. It may be noted that Shri V. P. Mafatlal and Rajiv Dayal have not been paid any commission/bonus based on the profitability of the Company since their respective remuneration has exceeded the limit of 5% of the Net Profit of the Company.

In accordance with the provisions of Schedule V and other applicable provisions of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board and the Board of Directors at their respective meetings held on 30th May, 2015 have approved the overall remuneration paid to both of the managerial personnel during the year 2014-15 as set forth in the resolutions. The Board, recommends the approval of both the Special Resolutions by the shareholders.

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

None of the Directors, key managerial personnel and / or their relatives is concerned or interested in the resolutions except that Shri V. P. Mafatlal is interested in the resolution at item 10 as it concerns him, and Shri Rajiv Dayal, is concerned or interested in the resolution at item 11 as it concerns him.

In respect of Item Nos. 12 & 13:

In accordance with the provisions of Section 148(2) and 148(3) of the Companies Act, 2013 read with relevant Rules

made there under, the Company is required to appoint a Cost Auditor for audit of Textiles products manufactured by the Company.

Based on recommendation of the Audit Committee, the Board of Directors has appointed Shri I. V. Jagtiani as the Cost Auditor for conducting the audit of Cost Accounting Records maintained by the Textiles Division of the Company at Navsari, Denim Division of the Company at Navsari and the Marketing Services Division at Mumbai relating to the 'Textiles' product manufactured and traded by the Company for the year 1st April, 2015 to 31st March, 2016 on a proposed remuneration of ₹ 4.50 lacs apart from re-imbursement of out of pocket expenses incurred for the purpose of audit. Further, Shri I. V. Jagtiani has also been designated as the Principal / Lead Cost Auditor responsible for consolidation and filing of the Cost Audit Report with the Central Government for the year 1st April, 2015 to 31st March, 2016 on the said proposed remuneration of ₹ 4.50 lacs apart from re-imbursement of out of pocket expenses incurred for the purpose of audit.

Based on recommendation of the Audit Committee, the Board of Directors has appointed Shri B. C. Desai as the Cost Auditor for conducting the audit of Cost Accounting Records maintained by the Textiles Division of the Company at Nadiad relating to the 'Textiles' product manufactured and traded by the Company for the year 1st April, 2015 to 31st March, 2016 on a proposed remuneration of ₹ 1.75 lacs apart from re-imbursement of out of pocket expenses incurred for the purpose of audit subject to the approval of remuneration by the Members.

Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, prescribes that the remuneration of the Cost Auditors shall be ratified by the Shareholders. Accordingly, the Ordinary Resolutions are proposed for ratification by the Members. The Board of Directors recommend passing of the Ordinary Resolutions at Item Nos. 12 and 13 of the Notice.

None of the Directors, key managerial personnel and their relatives is concerned or interested in the resolution.

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

Place: Mumbai
Dated 30th May, 2015

A. A. Karanji
Company Secretary

Particulars of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting pursuant to Clause 49 of the Listing Agreement.

Name, Age & Qualification of the Director	Date of Appointment	Expertise in functional Areas	Names of the other Companies in which he holds Directorships and Memberships of Committee of the Board.
1) Mr. Atul Kumar Srivastava (63 Years) B.Sc. (Hons), FCA	10.10.2012	Experience of over 33 years in the field of Finance, Accounting, Taxation and Commerce.	Director in Navin Fluorine International Ltd. Member – Stakeholders Relationship Committee
2) Smt. Latika Pradhan (60 years) ACA, AICWA, ACS and LL.B.	17.04.2015	Experience of over 35 years in various industries, heading Finance, Legal & Secretarial, Internal Audit and IT functions.	None
3) Shri Gautam Chakravarti (61 years) Degree in Physics Masters in Economics Post Graduate Program in Management from IIM, Ahmedabad.	30.05.2015	Experience of over 38 years in MNCs and large Indian Business house in multi-cultural environments.	Whole-time Director and C.E.O. of Gokaldas Exports Ltd. He is an Independent Director of the following: Robot Systems Pvt. Ltd. Rafter Trading Pvt. Ltd. Vignesh Apparels Pvt. Ltd. Seven Hills Clothing Pvt. Ltd. Rishikesh Apparels Pvt. Ltd. SNS Clothing Pvt. Ltd. All Colour Garments Pvt. Ltd. Rajdin Apparels Pvt. Ltd. Deejay Trading Pvt. Ltd. Madhin Trading Pvt. Ltd. Glamourwear Apparels Pvt. Ltd. Magenta Trading Pvt. Ltd. Reflexion Trading Pvt. Ltd.
4) Shri Sujal Shah (46 Years) B.Com., F.C.A.	30.05.2015	Experience of over 22 years in the fields of Valuations, Due Diligences, Corporate Restructuring and Advisory.	He is an Independent Director of the following: Caprion Realty Ltd. Bhishma Realty Ltd. Raiji & Horwath Consultancy Services Pvt Ltd. SSPA Consultants Pvt. Ltd. Hindoostan Mills Ltd. Chairman – Audit Committee Amrit Corp. Limited Member - Audit Committee Amal Ltd. Member - Audit Committee Pramerica Trustees Pvt. Ltd. Member - Audit Committee Reliance Asset Reconstruction Co. Ltd. Chairman - Audit Committee Rudolf Atul Chemicals Ltd. Member - Audit Committee I-Process Services (India) Pvt. Ltd. Chairman - Audit Committee Convergence Chemicals Pvt. Ltd. Chairman - Audit Committee JM Financial Institutional Securities Ltd. Member - Audit Committee

Note: None of the above Directors hold any shares in the Company and none of them related to any other Director of the Company.

Summarised Financial Data

Particulars	2004-2005	2005-2006	2006-08	
			(18 MONTHS)	
	1	2	3	
PROFIT & LOSS ACCOUNT				
Total Income	20,540.27	16,699.56	41,273.38	
Profit before Depreciation, Interest, Exceptional Items and Tax	3,148.54	(1,849.89)	6,689.72	
Exceptional Items	-	-	-	
Finance costs	(3,242.36)	(3,867.58)	(2,929.12)	
Depreciation, Amortisation and Impairment	(920.71)	(780.94)	(807.08)	
Profit before Tax	(1,014.53)	(6,498.41)	2,953.52	
Profit after Tax	(1,029.77)	(6,521.01)	2,930.31	
Dividend (₹ per share)				
Earning per share (EPS) ₹	(20.60)	(130.42)	58.61	
BALANCE SHEET				
Net Fixed Assets	5,516.76	4,673.74	3,797.80	
Investments	19,574.71	19,433.95	16,609.00	
Current Assets (Net)*	(15,200.17)	(17,316.17)	(5,322.26)	
Miscellaneous Exps not W/Off	4,987.58	3,474.16	1,279.69	
Total Application	14,878.88	10,265.68	16,364.23	
Borrowings	46,389.93	48,297.74	51,633.98	
Net Worth:				
Share Capital	9,499.94	9,499.94	9,499.94	
Reserves	(41,010.99)	(47,532.00)	(44,769.69)	
	(31,511.05)	(38,032.06)	(35,269.75)	
Total Sources	14,878.88	10,265.68	16,364.23	
Book value per Equity Share (₹)	-	-	-	
(Face value - ₹ 10 per Share)				
Debt/ Equity Ratio	-	-	-	
Operating EBIDTA (%)	15%	-11%	16%	
Profit After Tax (%)	-5%	-39%	7%	
Return on Net Worth (%)	3%	19%	-8%	
Return on Capital Employed	22%	-21%	44%	

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

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

₹ in lacs

	2008 - 09	2009 - 10	2010 - 11	2011 - 12	2012 - 13	2013 - 14	2014 - 15
		(14 MONTHS)	(13 MONTHS)	(9 MONTHS)			
	4	5	6	7	8	9	10
	54,998.06	30,913.02	70,525.95	18,069.79	84,038.13	93,549.12	104,469.00
	35,183.24	7,164.51	36,024.71	(1,096.70)	8,999.05	4,610.45	5,018.17
	-	-	16,086.77	(5,040.76)	697.74	736.77	898.63
	(1,014.50)	(557.56)	(1,085.88)	(245.11)	(3,199.92)	(1,489.45)	(1,684.05)
	(402.02)	(332.51)	(252.48)	(203.42)	(1,444.05)	(1,834.60)	(1,671.14)
	33,766.72	6,274.44	50,773.12	(6,585.99)	5,052.82	2,023.17	2,561.61
	33,750.72	5,176.30	38,056.00	(5,185.99)	3,715.93	2,393.38	2,437.49
					+ 5	3	3
	675.01	71.16	387.78	(52.84)	26.71	17.20	17.52
	3,373.55	1,975.17	1,613.34	2,003.60	15,648.04	17,273.65	20,091.35
	16,567.45	12,477.61	5,477.25	5,009.80	4,871.58	4,865.37	4,788.97
	(11,407.63)	(3,499.36)	41,657.38	27,067.95	24,293.87	23,154.29	25,157.03
	0.75	-	-	-	-	-	-
	8,534.12	10,953.42	48,747.97	34,081.35	44,813.49	45,293.31	50,037.35
	10,053.15	7,296.15	7,034.70	554.07	8,997.04	10,571.81	13,492.29
	9,499.94	6,981.32	6,981.32	3,981.32	4,391.22	1,391.22	1,391.22
	(11,018.97)	(3,324.05)	34,731.95	29,545.96	31,425.23	33,330.28	35,153.84
	(1,519.03)	3,657.27	41,713.27	33,527.28	35,816.45	34,721.50	36,545.06
	8,534.12	10,953.42	48,747.97	34,081.35	44,813.49	45,293.31	50,037.35
	-	50.30	425.04	341.63	257.43	249.56	262.67
	-	1.99	0.17	0.02	0.25	0.30	0.37
	64%	23%	51%	-6%	11%	5%	5%
	61%	17%	54%	-29%	4%	3%	2%
	-183%	484%	168%	-14%	10%	7%	7%
	279%	70%	174%	-15%	18%	8%	8%

Directors' Report

To
The Members,
Mafatlal Industries Limited

Your Directors are pleased to present the 101st Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2015.

1. Financial Results:

The Financial Results of the Company are as under:

	(₹ in lacs)	
	Current Year 2014-15	Previous Year 2013-14
Revenue from Operations	1,01,351.54	91,772.63
Other Income	3,117.46	1,776.49
Total Income/ Revenues	1,04,469.00	93,549.12
EBIDTA	5,018.17	4,610.45
Less: Depreciation	1,671.14	1,834.60
Finance Costs	1,684.05	1,489.45
Profit before Exceptional Items	1,662.98	1,286.40
Exceptional Items (Net)	898.63	736.77
Profit before Taxes	2,561.61	2,023.17
Tax (Expense) / Benefits	(124.12)	370.21
Profit after Taxes	2,437.49	2,393.38
Add: Surplus brought forward from previous year	3,046.69	4,386.64
Less: Depreciation on transition to schedule II of the Companies Act, 2013	111.57	-
Amount available for appropriation	5,372.61	6,780.02
Appropriation		
Transfer to Capital Redemption Reserve	-	3,000.00
Transfer to General Reserve	-	245.00
Proposed Dividend	417.39	417.39
Corporate Dividend Tax	84.97	70.94
Surplus carried to Balance Sheet	4,870.25	3,046.69

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

2. Dividend:

The Board of Directors is pleased to recommend a dividend for the year of ₹ 3.00 per share (@30 %) on 1,39,12,886 Equity Shares of face value of ₹ 10/- each, aggregating to ₹ 417.39 lacs. (same as previous year)

3. Year in Retrospect:

Your Company has for the year ended 31st March, 2015 reported a total revenue of ₹ 1,01,351.54 Lacs from operations (as against ₹ 91,772.63 Lacs in the previous year). The operating profit of the Company (earnings before interest, depreciation and amortizations and tax) for the year ended 31st March, 2015 is ₹ 5,018.17 Lacs compared to ₹ 4,610.45 Lacs in previous year. Higher power costs due to non-availability of exchange traded power (trading in electricity over exchange), oversupply of products and low margins due to stiff competition from the unorganized sector has put pressure on the margins. The Company has reported a net profit of ₹ 2,437.49 Lacs (as compared to ₹ 2,393.38 Lacs in the previous year).

There is no change in the nature of business during the year under review.

During the year, CRISIL Ltd. has maintained its 'CRISIL BBB-' rating to the cash credit and proposed term loan facilities and has assigned its 'CRISIL A3' rating to the letter of credit and bank guarantee facilities and indicated 'Stable Outlook' to the Company. Credit Analysis & Research Limited (CARE) has also maintained its 'CARE BBB-' rating to the long term facilities having tenure of more than one year and has assigned its 'CARE A3' rating to the short term facilities having tenure of up to one year. All the above ratings indicate moderate degree of safety regarding timely payment of financial obligations.

During the year under review, the Company has invested in modernization of facilities and expansion of capacities in Denim and Textiles Divisions. The Company has availed Term Loan facilities aggregating to ₹ 50.00 crores for capital expenditure and requisite working capital facilities for the Business from the Bankers

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 future.

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

During the year under review, Shri P. J. Desai, an Independent Director of the Company resigned as director, with effect from 30th May, 2014. The Board of Directors of the Company places on record its appreciation for the services rendered by him during his long association with the Company.

Shri Rasesh Shah, Company Secretary (FCS No.6991) of the Company resigned from the services of the Company with effect from 13th June, 2014 and Shri Ashish Karanji (ACS No. 15561) has been appointed as the Company Secretary of the Company with effect from 4th August, 2014.

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

After the close of the financial year 2014-15, Smt. Latika Pradhan has been appointed as an Additional Director (Independent Woman Director) on the Board w.e.f. 17th April, 2015 while Shri Gautam G. Chakravarti and Shri Sujal A. Shah have been appointed as Additional Directors (both Independent Directors) w.e.f. 30th May, 2015. These three Additional Directors will hold office until the date of ensuing 101st Annual General Meeting of the shareholders of the Company. The necessary resolutions proposing their appointment as Independent Directors have been proposed in the Notice convening the said Annual General Meeting.

5. Subsidiaries, Associates and Joint Ventures:

Mafatlal Services Ltd continues to be a subsidiary of the Company. The Company has one Joint Venture viz. Al Fahim Mafatlal Textiles LLC joint venture with Al Fahim Linez LLC (UAE) in which the Company and JV Partner has 49:51 share.

Mafatlal Global Apparel Limited ceased to be an associate from 23rd March, 2015. Except this, there is no change which has occurred in subsidiaries/joint ventures of the Company during the year under review.

The financial position of the subsidiary company is given in the Notes to Consolidated Financial Statements. The Company does not have any material subsidiary. The Policy on Material Subsidiary framed by the Board of Directors of the Company is available on http://www.mafatlals.com/uploads/8/3/1/2/8312181/policy_on_materiality_of_subsidiary.pdf.

The audited accounts of Mafatlal Services Limited, a subsidiary of the Company, for the year ended 31st March, 2015 is placed on the Company's website www.mafatlals.com and 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.

6. 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, 2015.

7. 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. Internal Financial Controls have been reviewed by Independent Experts who have reported that their audit did not disclose any serious material internal control problem or weakness which could be considered pervasive in their effect on the overall effectiveness and efficiency of the operations.

8. 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 profit of the Company for the year 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.

9. Industrial Relations:

The relations between the workmen, employees and the Management have remained cordial and harmonious during the year under review. The total number of employees as on 31st March, 2015 was 3485.

10. Insurance:

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

11. Corporate Social Responsibility (CSR):

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

Pursuant to the provision of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a CSR Committee.

Shri H. A. Mafatlal is the Chairman of the said Committee and Shri V. P. Mafatlal and Shri V. R. Gupte are other Members of the Committee. Based on the recommendations of the 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 programmes, in conformity with the statutory provisions which is posted on the website of the Company and available on web link http://www.mafatlals.com/uploads/8/3/1/2/8312181/corporate_social_responsibility_policy.pdf. The statutory disclosure in respect of the CSR activities undertaken and amount spent by the Company during the year under review is disclosed in prescribed format and the same is annexed hereto forming a part of this report.

12. Related Party Transactions:

All related party transactions that were entered into during the year under report, were on arms' length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company during the year. Related Party Transactions Policy is posted on the website of the company and is available at http://www.mafatlals.com/uploads/8/3/1/2/8312181/related_party_policy.pdf.

13. Management Discussion and Analysis Report & Corporate Governance:

As required under Clause 49 (as amended) Listing Agreement with Stock Exchanges, "Management Discussion and Analysis Report" as well as "Corporate Governance Report" are attached herewith marked Annexure I & II respectively and the same form 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 the Listing Agreement, is annexed to the Report on Corporate Governance.

14. Other Statutory disclosures:

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

15. Statutory Auditors & Audit Report:

At the Annual General Meeting, Members are requested to ratify the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara, (Registration No.117364W), as Auditors of the Company made by resolution passed at the 100th Annual General Meeting of the Company, to hold office from the conclusion of the 100th Annual General Meeting until the conclusion of the 103rd Annual General Meeting, for the balance term and

accordingly they continue to hold office from the conclusion of the 101st Annual General Meeting until the conclusion of the 103rd Annual General Meeting on such remuneration as may be fixed by the Board, apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit.

The specific notes forming part of the Accounts referred to in the Auditor's Report are self-explanatory and give complete information and addresses the qualification/reservation/remark/disclaimers in the Audit Report.

16. Cost Audit:

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read relevant Rules made there under the audit of the cost accounts relating to the "Textiles" product is required to be carried out every year. The Company has appointed Cost Auditors viz. Shri I. V. Jagtiani, Mumbai and Shri B. C. Desai, Ahmedabad, to audit the cost accounts for the Financial Year 2014-15 ended 31st March, 2015. Approval from the Central Government has been received for all the above referred appointments. The Cost Audit Report in respect of the financial period 2014-15 will be filed on or before due date.

The Board has at their meeting held on 30th May, 2015 re-appointed the aforesaid cost auditors for cost audit for 2015-16 and the remuneration payable to the Cost Auditors has been proposed for the approval/ratification by the members of the Company at ensuing Annual General Meeting.

17. 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.

18. Secretarial Auditor and Secretarial Audit Report:

The Board of Directors of the Company has, in compliance with the provisions of Section 304(1) of the Companies Act, 2013 and rules made in this behalf, appointed Shri Manuprasad M. Patel, Company Secretary in whole-time practice to carry out Secretarial Audit of the Company for the financial year 2014-15. The Report of the Secretarial Auditor, is annexed to this report as Annexure IV which is self explanatory and give complete information.

19. Appreciation:

The Directors wish to place on record their appreciation of the devoted services of the workers, staff and the officers who have largely contributed to the efficient management of your Company.

For and on behalf of the Board,

Place: Mumbai
Dated 30th May, 2015

H. A. MAFATLAL
Chairman

Annexure I to Directors' Report

Management Discussion and Analysis

Economy review

The Indian economy grew at 7.4% in 2014-15 as compared to 6.9% in 2013-14 and is projected to grow at over 8% in 2015-16. The Consumer inflation Index reduced from 9.7% in 2013-14 to 5.1% in 2014-15 and merchandise exports grew at 2.4%.

Textiles sector review and outlook

The Indian textiles industry, currently estimated at around US \$108 billion, is expected to reach US \$ 141 billion by 2021. The industry is the second largest employer after agriculture, providing direct employment to over 45 million and 60 million people indirectly. The Indian Textile Industry contributes approximately 5 per cent to GDP, and 14 per cent to overall Index of Industrial Production (IIP).

The Year 2014-15 was challenging for the Indian Textile Industry. The total cloth production increased by only 2.7 % compared to the earlier year 2013-14. The handloom sector grew at 1.4%, power loom at 2.1%, hosiery at 4.7%, whereas the Mill sector showed a de-growth of 1.5%. Cotton yarn grew at 3%, whereas filament yarn production decreased by 4%. The Industry also faced a liquidity crunch due to slower retail sales.

In the long term, the demand for textile and clothing is on rise globally and the Indian market is in the forefront. Despite the weak sentiments, which we have witnessed last year within India and globally, the Indian textile and clothing industry is expected to continue to grow due to the burgeoning domestic market and the opportunities in the global market (specially due to the reducing competitiveness of Chinese manufacturers). Domestically, the Indian GDP should continue to grow upwards of 6% and besides, India has the world's largest population below the age of 40 years - estimated at over 200 million.

Company Performance Review and Outlook

During the year 2014-15, the Company's operating margins were under pressure. However, it has continued with its long term business strategy of investing in modernization of facilities, expansion of capacities in the Textiles and Denim Divisions, increasing emphasis on Product Development and expanding distribution systems.

Our Company has made focused effort in improving product quality, lowering operating costs and improving operating efficiencies. We have offered differentiated and value added products to our customers and Brands. The Company has also taken major steps in strengthening its senior management, with a greater emphasis on performance and accountability.

In 2014-15, the Company has invested ₹ 18.59 Crores in Textiles and ₹ 23.80 Crores in the Denim Division on capital expenditure at Nadiad and Navsari plants in Gujarat. The Company will continue to incur capital expenditure from time to time, based on the requirements for consolidating the manufacturing capacity and capabilities in line with market conditions.

During the year, exchange traded power (online trading in electricity over exchange) was withdrawn by Government of Gujarat in Southern and Central Gujarat. This resulted in an increase of power cost. However, the commissioning of captive power co-generation plant at Nadiad from January 2015, will enable us to reduce the energy costs.

The Textiles Division has commissioned a new State-of-the-art printing facility in its Nadiad factory in the month of March 2015. With this addition, the company's printing capacity has increased substantially. New high speed Spinning equipment were installed. This will improve yarn quality, increase efficiencies translating in to good quality fabric and reduce operating costs. With a strengthened management team, the Company is hopeful of an improved outlook for the current year, especially in the second half.

The Denim Division capacity has been increased from 25 MMPA to 30 MMPA at Navsari Plant. Investments were made in spinning, weaving and finishing machines. This will reduce the operating costs and give Company the flexibility of making a variety of denim products. New finishing equipment have also been installed which will enable us to sell higher value added products and fashion Denims for Menswear as well as Women's wear, in the Domestic and International markets. The Denim Industry is facing a situation of overcapacity and the Division's margins were squeezed in the year under review. However, the current year, under new leadership, is showing distinct signs of improvement for the Denim Division.

With capacities in place, the Company has taken several steps to improve its Marketing and Distribution network. In the domestic market it has added new distributors and customers in different States where we had a small presence. In exports, the Company is focusing on increasing its presence in the Far East, Middle East, Africa continent and Latin American markets. New fashionable and premium products have been launched and the product mix has been improved

The Company continues to be the market leader in the supply of School Uniform fabrics in India and has been successful in penetrating the Middle East market in this segment. In School uniform segment designer collections have been launched. Besides, Suitings, Corporate and

Institutional Products and Home Furnishings (Bedsheets and Towels) product categories have shown a steady increase in volumes.

Analysis of Financial Results:

- Total Revenue is ₹ 1044.69 crores for 2014-15 (as against ₹ 935.49 Crores in previous year) signifying a growth of 11.67%.
- Profit before interest, depreciation and tax of ₹ 50.18 crores for 2014-15 (as against ₹ 46.10 crores in previous year)
- Profit after tax of ₹ 24.37 crores for 2014-15 (as against ₹ 23.93 crores in previous year) due to the reasons mentioned in above performance review.

Risk & Concerns and Counter Strategy:

During the year under review, the market of bleached white fabrics remained sluggish due to weaker demand and severe competition from the unorganized sector. The demand for Printed Fabrics in the domestic as well as in export market was good, but the Company could not capitalize on this due to limited Printing Capacity. In order to overcome this constraint, the Company has procured a new state-of-the-art Printing facility, which has recently been commissioned and resulted in an increase in printing capacity. Significant

capacity additions have taken place for Denim fabric manufacturing in India, which has resulted in weak market sentiments. The Company has, as a part of its long term strategy, increased the Ring Spinning and Specialized Denim processing capacity, in order to differentiate itself from competition and improve operating margins.

Internal Control system and their adequacy:

The Company has adequate internal audit system commensurate with its size and nature of operations. The Audit Committee of the Board of Directors approves the internal audit scope every year and quarterly presentation to the audit committees are made by internal auditors as well as statutory auditors of the Company. The Management consistently reviews the internal control systems and procedures to ensure efficient conduct of the business conforming to the ethics and code of conduct of the Company. An Independent firm of Chartered Accountant carry out internal audit across all the important functions of the business.

Human Resources:

The Company had 3485 employees on the roll as of 31st March, 2015. The Company conducts continuous training and development programmes for employees of all classes at all major locations of the operations.

Annexure II to Directors' Report

Corporate Governance Report

This Corporate Governance Report for the year ended 31st March, 2015, forms part of the Directors' Report and the same has been prepared on the basis of the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges.

COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE:

The system of Corporate 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 of Corporate 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.

1. Board of Directors:

Composition of the Board

The Board of Directors consisted of eight directors as at the end of the year. The Board comprised of one Executive Promoter Director, one Non-Executive

Promoter Director, one Executive Professional Director one Non-Executive Professional Director and four Non-Executive Independent Directors. The Board of Directors is headed by Shri H. A. Mafatlal who is the Chairman of the Company. The composition of the Board is in conformity with the requirements of the Listing Agreements with the Stock Exchanges.

All the relevant and necessary information such as Capital Expenditure and Operating Budget, Financial Results, Production, Sales, Exports, Imports, Segment reporting, Cost Audit Reports, Financial Plans are, as a matter of routine placed before the Board for their approval / noting.

Number of Board Meetings held and the dates of the Board Meetings:

During the year under review viz., 1st April, 2014 to 31st March, 2015, total 7 (seven) Meetings of the Board of Directors of the Company were held, viz. on 30th May, 2014, 4th August, 2014, 13th November, 2014, 13th January, 2015, 23rd January, 2015, 12th February, 2015 and 17th March, 2015. The Company has thus, observed the provisions of the Listing Agreement(s) allowing not more than four months gap between two such Meetings.

Attendance of the Director at the Board Meetings and at the last Annual General Meeting (AGM) and Number of other Companies in which the Director is a Director / Committee Member:

Sr. No.	Names of Directors	Category	No. of Board Meetings attended	Whether last AGM held on 5th August, 2014 attended	Other directorship held (including private companies) at the year end	No. of Committee Membership / Chairmanship in other domestic companies at the year end	
						As Chairman	As Member
1.	Shri H. A. Mafatlal	Promoter Non-Executive	7	Yes	10*	2	1
2.	Shri P. R. Amin	Non-Executive Independent	6	No	Nil	Nil	Nil
3.	Shri P. J. Desai@	Non-Executive Independent	1	N.A.	Nil	Nil	Nil
4.	Shri N. K. Parikh	Non-Executive Independent	7	Yes	Nil	Nil	Nil
5.	Shri V. P. Mafatlal	Promoter Executive	7	Yes	18**	Nil	2

Sr. No.	Names of Directors	Category	No. of Board Meetings attended	Whether last AGM held on 5th August, 2014 attended	Other directorship held (including private companies) at the year end	No. of Committee\$ Membership / Chairmanship in other domestic companies at the year end	
						As Chairman	As Member
6.	Shri A. K. Srivastava	Non-Executive Non-Independent	7	Yes	1	Nil	Nil
7.	Shri Rajiv Dayal	Executive Non-Independent	7	Yes	1	Nil	Nil
8.	Shri V. R. Gupte	Non-Executive Independent	7	Yes	2	Nil	1
9.	Shri P. N. Kapadia	Non-Executive Independent	7	Yes	10	2	3

@ Shri P. J. Desai has ceased to be a Director w.e.f. 30th May, 2014

\$Under this column, memberships/Chairmanships of Audit Committee and Stakeholders Relationship Committee in all Public Limited Companies (excluding Mafatlal Industries Limited), are considered as required to be disclosed under the amended provisions of Clause 49 of Listing Agreement with the Stock Exchanges.

* Three Private Limited Companies and one Foreign Company.

** Thirteen Private Limited Companies and one Foreign Company.

Shareholding of Non-Executive Directors as on 31st March, 2015 is as follows

Names of the Directors	Number of Equity Shares of the Company held as at the year end
Shri H. A. Mafatlal	826803
Shri P. R. Amin	211
Shri P. J. Desai (ceased w.e.f. 30.05.2014)	N.A.
Shri N. K. Parikh	Nil
Shri V. R. Gupte	02
Shri P. N. Kapadia	138
Shri A. K. Srivastava	Nil

2. Audit Committee:

The Audit Committee of the Board of Directors of Company consisted of three Directors viz. Shri P. R. Amin, Shri V. R. Gupte and Shri N. K. Parikh. All members of the Audit Committee are Non-Executive Independent Directors. Shri P. R. Amin, who is a Chartered Accountant, is the Chairman of the Audit Committee.

During the year under review, total four Meetings of the Audit Committee of the Board of Directors of the Company were held viz. on 30th May, 2014, 4th August, 2014, 13th November, 2014 and 12th February, 2015. The attendance of the members was as follows:

Sr. No.	Date of Audit Committee Meeting.	Shri P. R. Amin	Shri V. R. Gupte	Shri N. K. Parikh
1.	30th May, 2014	Attended	Attended	Attended
2.	4th August, 2014	Not Attended	Attended	Attended
3.	13th November, 2014	Attended	Attended	Attended
4.	12th February, 2015	Attended	Attended	Attended

The Composition and the Terms of Reference of the Audit Committee is as mentioned in the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges as amended from time to time. The Statutory Auditors, Internal Auditors, Cost Auditors, Finance /Accounts Heads and Chief Executive Officer usually attend the Meetings of the Audit Committee. The Company Secretary of the Company, Shri Ashish Karanji acts as Secretary to the Committee.

3. Nomination and Remuneration Committee:

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Remuneration Committee has been re-named as Nomination and Remuneration Committee of the Board of Directors of the Company.

The Nomination and Remuneration Committee consists of Shri V. R. Gupte as the Chairman of the Committee and Shri P. R. Amin and Shri P. N. Kapadia, are the other Members of the Committee. All of them are Non-Executive Independent Directors of the Company. The Company Secretary of the Company, Shri Ashish Karanji acts as Secretary to the Committee. During the year under review, four Meetings of the Committee were held which were attended by the members as follows:

Sr. No.	Dates of the Nomination and Remuneration Committee Meetings	Shri V. R. Gupte	Shri P. R. Amin	Shri P. N. Kapadia
1.	30th May, 2014	Attended	Attended	Attended
2.	13th January, 2015	Attended	Attended	Attended
3.	12th February, 2015	Attended	Attended	Attended
4.	16th March, 2015	Attended	Attended	Attended

The Role of the Committee is as mentioned in the provisions of Section 178 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement which also includes the review and recommendations to the Board of Directors of the Company for approval, remuneration of Executive Directors based on their performance and defined assessment criteria.

The remuneration policy of the Company approved by the Board as per the recommendation of the Nomination & Remuneration Committee, is disclosed in the annexure to Directors Report.

4. Stakeholders Relationship Committee:

The Shareholders/Investors' Grievance Committee earlier set-up by the Company has now been re-named as the Stakeholders Relationship Committee in conformity with the provisions of sub-section (5) of Section 178 of the Companies Act, 2013, to consider and resolve the grievances of the security holders

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

During the year 2014-15 two meetings of the Stakeholders Relationship Committee were held and the attendance of the Members was as under:

Sr. No.	Date of the Stakeholders Relationship Meeting.	Shri P. N. Kapadia	Shri V. P. Mafatlal	Shri H. A. Mafatlal
1.	13th November, 2014	Attended	Attended	Attended
2.	16th March, 2015	Attended	Attended	Attended

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 Listing Agreement with the Stock Exchanges, including looking into the complaints of the stakeholders/investors relating to non-receipt of shares after transfer, non-receipt of dividends, Annual Reports etc. Shri Ashish Karanji, Company Secretary is a Compliance Officer and acts as a Secretary to the Committee.

The details of complaints received from Stakeholders from 1st April, 2014 to 31st March, 2015, are as follows:

Non-receipt of Shares after Transfer	:	02
Non-receipt of Dividend warrants	:	nil
Non-receipt of Annual Reports	:	06
Non-receipt of Demat confirmation	:	nil
Total Complaints received during the year		08
No. of Complaints resolved during the year	:	08
No. of Complaints pending as on 31.03.2015	:	nil

5. Independent Directors and their Meetings:

During the year under review, there were four Independent Directors on the Board viz. Shri P. R. Amin, Shri N. K. Parikh, Shri V. R. Gupte and Shri P. N. Kapadia. In conformity with the requirements of Schedule IV to the Companies Act, 2013 read with the provisions of Listing Agreement. The said Independent Directors of the Company had two separate meetings during 2014-15 viz. on 12th February, 2015 and on 16th March, 2015 without the attendance of non-independent directors and members of the management. All these Independent Directors attended the both meetings. Shri P. R. Amin was unanimously elected as the Chairman for these meetings of Independent Directors. At these meetings, the Independent Directors reviewed the performance of the non Independent Directors (including Chairman of the Board) and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company, Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Board has, after the close of the financial year 2014-15, appointed three new Additional Directors who are non-executive independent directors viz. Smt. Latika Pradhan, Shri Gautam G. Chakravarti and Shri Sujal Shah, the further details of these directors are mentioned in the Notice convening 101st Annual

General Meeting wherein their appointment as independent directors have been proposed.

The Board has approved and adopted Familiarization Programme for Independent Directors in line with the requirements of Listing Agreement which is posted on the website of the company and is available at http://www.mafatlals.com/uploads/8/3/1/2/8312181/familiarisation_programme_for_independent_directors.pdf

6. Remuneration of Directors:

Compensation / Remuneration of Non-Executive Directors:

The Company paid sitting fees to each Non-Executive Directors for attending the meetings of the Board of Directors and the Committees thereof at ₹ 10,000/- per meeting. In addition the Company paid travelling/conveyance expenses and the diem allowance to the outstation directors. The Non-Executive Directors are also paid commission within the limits prescribed by the Company. The Board had at their meeting held on 17th April, 2015 increased the sitting fees for Non-Executive Directors from ₹ 10,000/- to ₹ 20,000/- per meeting of the Board and Committees thereof including separate meetings of Independent Directors effective from 1st April, 2015.

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

As on 31st March, 2015, there are no contracts/agreements except letters of appointment issued to Shri V. P. Mafatlal, Executive Vice-Chairman and Shri Rajiv Dayal, Managing Director and Chief Executive Officer of the Company for their appointments for a period of 5 years w.e.f. 28th May, 2013. Beside, the appointment Letters were issued to all Independent Directors of the Company, the terms and conditions of which have been posted on the website of the Company under "Financial" section.

(₹ in lacs)

Sr. No.	Names of Directors	Salary and Perquisites	Commission*	Sitting Fees	Total
1	Shri H. A. Mafatlal	-	-	0.90	0.90
2	Shri P. R. Amin	-	-	1.60	1.60
3	Shri P. J. Desai (ceased w.e.f 30.05.2014).	-	-	0.10	0.10
4	Shri N. K. Parikh	-	-	1.30	1.30
5	Shri A. K. Srivastava	-	-	0.70	0.70
6	Shri V. R. Gupte	-	-	1.90	1.90
7	Shri P. N. Kapadia	-	-	1.60	1.60
8	Shri Vishad P. Mafatlal#	118.01	-	-	118.01
9	Shri Rajiv Dayal#	135.47	-	-	135.47

* No commission to any Directors for the financial year 2014-15

Shri Vishad P. Mafatlal and Shri Rajiv Dayal were the Executive Directors of Mafatlal Denim Limited up to 28th May, 2013. After the coming into effect of the Scheme of Arrangement and Amalgamation of Mafatlal Denim Limited, they were appointed as Executive Directors of the Company with effect from 28th May, 2013 with continuity of service and were not paid any sitting fees for attending meetings held on or after that date.

7. Subsidiary Companies:

The Minutes of the Board Meetings as well as statements of all significant transactions and investments, if any, made by the unlisted subsidiary companies are placed before the Board of Directors of the Company. The Audit Committee also reviews the financial statements in particular, the investment if any made by the subsidiary companies. The minutes of the subsidiary company are also placed before the Board from time to time.

8. Disclosures:

- (i) Disclosure on materially significant related party transactions which have taken place during the year ended 31st March, 2015, that may have potential conflict with the interest of the Company at large:

None of the transactions with any of the related parties were in conflict with interest of the Company. Transactions with the related parties are disclosed in Note No.31.5 in 'Notes forming part of financial statements' annexed to the financial statements for the year.

The details of the related party transactions are placed before the Audit Committee on quarterly basis. There is no material related party transactions done by the Company.

- (ii) Details of non-compliance by the Company, penalties, strictures imposed by Stock Exchange/ SEBI or any statutory authority, on any matter related to the capital markets, during the last three years:

The Company had received Notice dated 5th March, 2014, from SEBI for non-compliance of Regulations 8(1) and 8(2) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, for non-filing of shareholding Disclosure with Stock Exchanges in respect of the Shares held by the Company of Mafatlal Finance Co. Ltd., as Promoter of the said company. The Company filed its written submissions and also appeared at the personal hearing through Advocates. However, the Adjudicating Officer

vide Order dated 24th March, 2014, levied a Penalty of ₹ 10 lacs. The Company preferred an Appeal before the SEBI Appellate Tribunal (SAT) against the said Order. At the hearing held on 13th June, 2014, SAT dismissed the Appeal filed by the Company. Consequently, the Company had towards the compliance of the SEBI Order, made the payment of ₹ 10 lacs to SEBI and settled the matter.

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

- (iii) In conformity with the requirements of Section 178 of the Companies Act, 2013 read with provisions of Clause 49 of the Listing Agreement, the Company has devised vigil mechanism and have formal whistle blower policy under which the Company takes cognizance of complaints made by the employees and others. No employee of the Company/ no other person has been denied access to the Audit Committee of the Board of Directors of the Company. During the year under review, no complaints have been received from any whistle blower. The Whistle Blower Policy of the Company has been posted on the website of the company and is available at http://www.mafatlals.com/uploads/8/3/1/2/8312181/whistle_blower_policy.pdf.
- (iv) In compliance with the provisions of the amended Clause 49 of the listing agreement, the Board of Directors of the Company have framed Risk Management Policy and also constituted Risk Management Committee. Further details are provided in Annexure to Directors' Report.
- (v) Disclosure under The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee have been set up to redress complaints received relating to harassment. During the year under review, no complaints have been received in respect of sexual harassment.

- (vi) Disclosure of accounting treatment different from Accounting Standard in respect of rent of certain ex-tenants which has not been accounted, on legal advice.

Note No. 30.4 forming part of the financial statements, are self-explanatory and give complete information in this regard.

10. MD/CEO and CFO Certification:

The Managing Director and Chief Executive Officer and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The Managing Director & Chief Executive Officer and the Chief Financial Officer also give quarterly certification on financial result to the Board in terms of Clause 41 of the Listing Agreement.

11. General Body Meetings:

- (i) Location and time where last three AGMs were held:

AGM	Location	Date	Time	No. of Special Resolutions passed
98th AGM	Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad-380 006.	19th November, 2012	10.30 a.m.	-
99th AGM	Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad-380 006.	31st July, 2013	10.30 a.m.	Three Special Resolutions were passed
100th AGM	Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad-380 006.	5th August, 2014	10.30 a.m.	Four Special Resolutions were passed

Whether special resolutions:

a)	Were put through postal ballot last year	: No
	Details of voting pattern	: N.A.
	Person who conducted the postal ballot exercise	: N.A.
b)	Are proposed to be conducted through postal ballot this year	: Yes
	Procedure for postal ballot	: Separately circulated to the members

9. Code of Conduct for Board Members and Senior Management:

The Board of Directors has at their meeting held on 13th November, 2014, laid down the revised Code of Conduct for all Board Members and Members of the Senior Management and Officers of the Company at the level of Dy. General Manager and above. The said Code also lays down the Duties of the Independent Directors as per Schedule IV to the Companies Act, 2013. The said Code is also placed on the website of the Company viz. www.mafatlals.com

The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The Managing Director of the Company has given declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The declaration by the Managing Director to that effect forms part of this Report.

12. Means of communication:

The financial results of the Company are reported as mentioned below:

- Half-year report sent to shareholders	: No
- Quarterly Results normally published in which newspapers	: In English - The Economic Times In Gujarati - The Economic Times
- Any website	: www.mafatlals.com
- Whether it also displays official news release and the presentation made to institutional investors or to the analysts	: Yes
- Whether Management Discussion & Analysis Report is a part of the Annual Report	: Yes

13. General Shareholders Information:**A) 101st Annual General Meeting**

Date and Day	: 12th August, 2015, Wednesday
Time	: 10.00 A.M.
Venue	: J B Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad 380015

B) Financial Calendar

	: 1st April, 2015 to 31st March, 2016
First Quarterly Results	: By 14th August, 2015
Second Quarterly Results (Half-yearly)	: By 15th November, 2015
Third Quarterly Results	: By 14th February, 2016
Fourth Quarter / Audited yearly Results	: By 30th May, 2016

C) Date of Book Closure

: Thursday, 6th August, 2015 to Wednesday, 12th August, 2015
(Both days inclusive)

D) Dividend Payment date

: 17th August, 2015 onwards

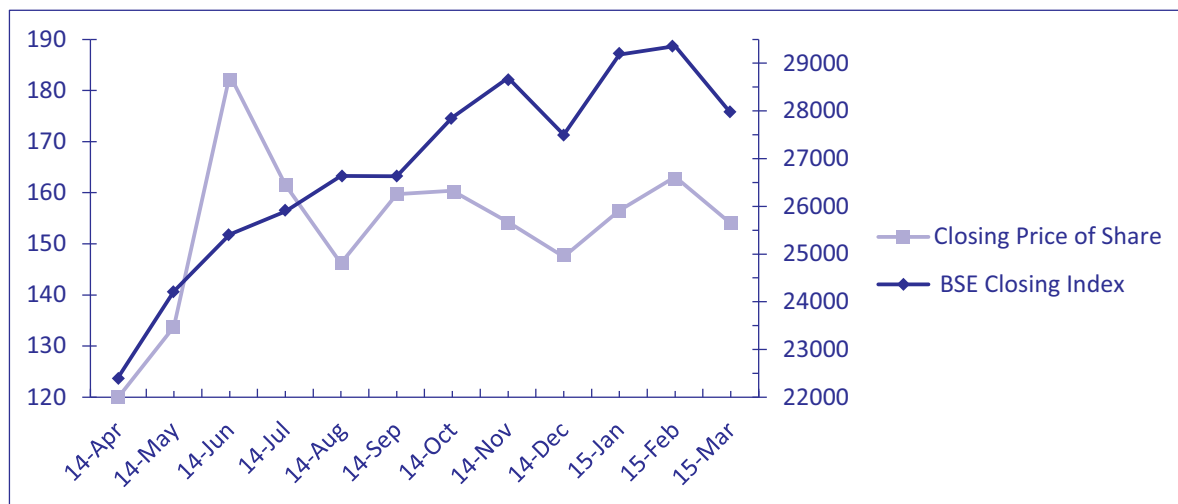
E) Listing

: BSE Limited (BSE)
(Security Code: 500264)
Ahmedabad Stock Exchange Limited (ASE)
(Security Code: 34100)

F) Monthly high & low of the shares in the last financial year:

Market prices of the Equity Shares of ₹ 10/- each of the Company on BSE are as under:

Month	Highest (₹)	Lowest (₹)	BSE Sensex Highest	BSE Sensex Lowest	No. of Trades No.
April, 2014	130.00	106.30	22,939.31	22,197.51	3,492
May, 2014	144.00	113.25	25,375.63	22,277.04	3,641
June, 2014	189.40	126.65	25,725.12	24,270.20	6,951
July, 2014	188.90	141.55	26,300.17	24,892.00	5,217
August, 2014	161.80	134.00	26,674.38	25,232.82	2,325
September, 2014	186.90	146.05	27,354.99	26,220.49	5,233
October, 2014	183.50	152.00	27,894.32	25,910.77	1,743
November, 2014	173.70	151.75	28,822.37	27,739.56	2,347
December, 2014	158.90	121.00	28,809.64	26,469.42	1,159
January, 2015	163.80	143.80	29,844.16	26,776.12	1,674
February, 2015	207.00	147.10	29,560.32	28,044.49	3,439
March, 2015	179.00	131.00	30,024.74	27,248.45	1,622

Performance of Company shares in comparison to broad based indices:**Company Share Price and BSE Sensex**

	Apr 14	May 14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
Share Price (in ₹)	120	133.75	183	161.55	146.2	159.7	160.4	154.25	147.5	156.5	163.1	154
BSE Sensex	22,417.80	24,217.34	25,413.78	25,894.97	26,638.11	26,630.51	27,865.83	28,693.99	27,499.42	29,182.95	29,361.50	27,957.49

G) Registrar & Share Transfer Agents :

M/s.Sharepro Services (India) Pvt. Ltd.
 Samhita Warehousing Complex, 2nd Floor,
 Gala No.52 to 56, Bldg. No.13A-B,
 Near Sakinaka Telephone Exchange,
 Andheri-Kurla Road, Sakinaka,
 Mumbai- 400 072.
 Tel: 91 22 67720300, 67720400
 Fax: 91 022 28591568/28508927
 Email:sharepro@shareproservices.com

Investor Relations Centre

Sharepro Services (India) Pvt. Ltd.

1. 912 Raheja Centre
 Free Press Journal Road
 Nariman Point
 Mumbai 400021
 Tel: 91 22 6613 4700
 Fax: 91 22 2282 5484

2. Devnandan Mega Mall
 Office No.416-420 4th Floor
 Opp. Sanyas Ashram
 Ashram Road
 Ahmedabad 380006
 Tel: 079 26582381 / 84

H) Share Transfer System:

The Registrar & Transfer Agents of the Company viz. M/s. Sharepro Services (India) Pvt. Ltd., Mumbai are undertaking all the shares related work. The Share Transfer Committee of the Company is comprised of Shri P.R. Amin, Shri A. K. Srivastava and Shri H.A. Mafatlal. In order to expedite the share transfer, transmission, split-up, consolidation, demat, remat among others, the necessary statements for approval relating thereto are regularly approved and signed by two Directors (who are members of the Share Transfer Committee) and thereafter the same are placed before the meeting of the Board of Directors of the Company for their noting. The share transfers are registered and returned within 15 days from the date of receipt if relevant documents are complete in all respects. The shareholders' / investors' grievances are also taken up by the R&T Agents of the Company.

I) Distribution of shareholding as on 31.03.2015:

Description (Slab)	No. of Share Holders		Holdings	
	Folios	%	No. of shares	%
Upto 50	106069	97.10	507488	3.65
51-500	2648	2.42	434760	3.12
501-1000	257	0.24	192045	1.38
1001-2000	108	0.10	160892	1.16
2001-3000	36	0.03	90234	0.65
3001-4000	17	0.02	57377	0.41
4001-5000	18	0.02	86026	0.62
5001-10000	25	0.02	171868	1.23
10001-Above	55	0.05	12212196	87.78
Total	109233	100.00	13912886	100.00

J) Shareholding pattern as on 31.03.2015

Sr. No.	Category	No. of shares held	%
1	Promoters Holding	10419955	74.89
2	Mutual Fund	9115	0.07
3	Banks, Financial Institutions, Insurance Companies, UTI, Central/ State Govt Institutions	364471	2.62
4	FII(Foreign Institutional Investors)	0	0.00
5	Private Corporate Bodies	152328	1.09
6	Indian Public/Trust	2912409	20.94
7	NRI/OCBs/Foreign National	54608	0.39
8	Any Other (please Specify) GDR	---	--
	Total	13912886	100.00

K) Dematerialisation details:

The shares of the Company are under compulsory Trading in demat form. The demat code of the Equity Shares of the Company is INE270B01027. As on 31st March, 2015, 17,809 shareholders holding 1,34,04,345 Equity Shares have dematerialized their shares which constitutes 96.34% of the total Equity Share Capital of the Company.

L) Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and likely impact on equity:

Not applicable

M) Plants / Factories:

- 1) Nadiad Unit : Kapadvanj Road, Nadiad 387 001.
- 2) Navsari Units : Vejalpore Road, Navsari 396445 (Textiles and Denim Units)
- 3) Mazgaon Unit (not in operation) : Rambhau Bhogale Marg, Mumbai 400 010.

N) Address for correspondence:

Mafatlal Industries Limited

Corporate Identity Number: L17110GJ1913PLC000035

- **Registered Office details : (with effect from 1st June, 2015)**

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

O) The Company has complied with all the mandatory requirements of Clause 49 (as amended). The Company has also complied with the non-mandatory requirement of separate post of Chairman and CEO. Shri H. A. Mafatlal is a non-executive Chairman while Shri Rajiv Dayal is a Managing Director & CEO of the Company. Further, the Company has also complied with the non-mandatory requirement of direct reporting of the Internal Auditors to the Audit Committee in respect of their findings/observation on Internal Audit carried on by them on quarterly basis as per the Internal Audit plans approved by the Audit Committee.

Annexure To Corporate Governance Report

Declaration regarding affirmation of Code of Conduct

In terms of the requirements of the Clause 49 of the Listing Agreement, this is to confirm that all the members of the Board and the senior management personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2015

Mumbai,
Dated: 30th May, 2015

Rajiv Dayal
Managing Director & CEO

Place: Mumbai
Dated 30th May, 2015

For and on behalf of the Board,
H. A. MAFATLAL
Chairman

Auditor's Certificate

To,
THE MEMBERS OF
MAFATLAL INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Mafatlal Industries Limited ("the Company") for the year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. 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, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of above mentioned Listing Agreements except that the Chairman of Audit Committee could not attend the Annual General Meeting.

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

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117364W)

Place: Mumbai
Dated 30th May, 2015

R. SALIVATI
Partner
(Membership No. 34004)

Annexure III to Directors Report

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

i) Extract of the Annual Return:

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31/03/2015

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN :-	L17110GJ1913PLC000035
ii)	Registration Date:-	20 January, 1913
iii)	Name of the Company:-	Mafatlal Industries Limited
iv)	Category / Sub-Category of the Company :-	Public Company Limited by Shares
v)	Address of the Registered office and contact details (w.e.f. 1st June, 2015)	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)
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any :-	Sharepro Services (India) Pvt. Ltd. Samhita Warehousing Complex, 2nd Floor, Gala No.52 to 56, Bldg. No.13 A-B, Near Sakinaka Telephone Exchange, Andheri-Kurla Road, Sakinaka, Mumbai – 400 072. Tel: 9122 6772 0300 / 6772 0400 Fax: 91 22 2859 1568 / 2850 8927 E-mail: sharepro@shareproservices.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. 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 Mehta Mahal, 2nd Floor, 15, Mathew Road, Mumbai 400004	U51900MH1962PLC012314	Subsidiary	88%	2(87)
2	Al Fahim Linez LLc (UAE)	-	Joint Venture	49%	2(6)

IV. SHARE HOLDING PATTERN (With Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4870883	-	4870883	35.01	4870883	-	4870883	35.01	
b) Central Govt.	-	-	-	-	-	-	-	-	
c) State Govt. (s)	-	-	-	-	-	-	-	-	
d) Bodies Corp.	5483927	-	5483927	39.42	5483927	-	5483927	39.42	
e) Banks / FI	-	-	-	-	-	-	-	-	
f) Any Other....	65145	-	65145	0.47	65145	-	65145	0.47	
Sub-total (A) (1):-	10419955	-	10419955	74.89	10419955	-	10419955	74.89	
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	
b) Other – Individuals	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	
d) Banks / FI	-	-	-	-	-	-	-	-	
e) Any Other..	-	-	-	-	-	-	-	-	
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	
Total shareholding of Promoter (A)= (A) (1) + (A)(2)	10419955	-	10419955	74.89	10419955	-	10419955	74.89	
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	
a) Mutual Funds	03	9112	9115	0.07	03	9112	9115	0.07	
b) Banks / FI	208802	772	209574	1.51	208802	772	209574	1.51	
c) Central Govt	-	-	-	-	-	-	-	-	
d) State Govt(s)	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	
f) Insurance Companies	154896	1	154897	1.11	154896	1	154897	1.11	
g) FIIs	-	-	-	-	-	-	-	-	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	
I) Others (specify)	-	-	-	-	-	-	-	-	
Sub-total (B)(1):-	363701	9885	373586	2.69	363701	9885	373586	2.69	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	394673	2172	396845	2.85	150371	1957	152328	1.09	-1.76
ii) Overseas					-	-	-	-	
b) Individuals					-	-	-	-	
I) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1119173	507858	1627031	11.69	1016401	495961	1512362	10.87	-0.82
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	978448	-	978448	7.03	1400003	-	1400003	10.06	3.03
c) Others (specify)	116235	748	116983	0.84	53870	738	54608	0.39	-0.45
(NRI) (Trust)	38	-	38	0.00	44	-	44	0.00	
Sub-total (B)(2):-	2608567	510778	3119345	22.42	2620689	498656	3119345	22.42	
Total Public Shareholding (B) = (B) (1) + (B)(2)	2972268	520663	3492931	25.11	2984390	508541	3492931	25.11	
C. Shares held by Custodian for GDRs & ADRs					-	-	-	-	
Grand Total (A+B+C)	13392223	520663	13912886	100.00	13404345	508541	13912886	100.00	

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the Year (01-04-2014)			Shareholding at the end of the Year (31-03-2015)		
		No. of Shares	% of Total Shares of the Company	% of Total Shares Pledged/encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Total Shares Pledged/encumbered to Total Shares
1	Vishad Padmanabh Mafatlal	1212316	8.72	0.00	1212316	8.72	0.00
2	Hrshikesh Arvind Mafatlal	826803	5.94	0.00	826803	5.94	0.00
3	Rupal Vishad Mafatlal	1203465	8.65	0.00	1203465	8.65	0.00
4	Rekha Hrshikesh Mafatlal	804283	5.78	0.00	804283	5.78	0.00
5	Priyavrat Hrshikesh Mafatlal	554232	3.98	0.00	554232	3.98	0.00
6	Anjali Hrshikesh Mafatlal	150999	1.09	0.00	150999	1.09	0.00
7	Aarti Hrshikesh Mafatlal	102512	0.74	0.00	102512	0.74	0.00
8	A.N. Mafatlal Karta of A.N.M. HUF 4 Mafatlal	5585	0.04	0.00	5585	0.04	0.00
9	Maithili N Desai	3559	0.03	0.00	3559	0.03	0.00
10	Aarti Manish Chadha	1830	0.01	0.00	1830	0.01	0.00
11	Anjali Kunal Agarwal	1830	0.01	0.00	1830	0.01	0.00
12	Narendra Dharmsinh Desai	1611	0.01	0.00	1611	0.01	0.00
13	P.A.Mafatlal As Karta of P.A.M. HUF 1 Mafatlal	1455	0.01	0.00	1455	0.01	0.00
14	Vishad P. Mafatlal Pam Huf1 P. Mafatlal	455	0	0.00	455	0	0.00
15	Chetna Padmanabh Mafatlal	204	0	0.00	204	0	0.00
16	Navin Fluorine International Limited	1774707	12.76	0.00	1774707	12.76	0.00
17	Altamount Products & Services Pvt. Ltd.	1064443	7.65	0.00	1064443	7.65	0.00
18	Sukarma Investments Pvt. Ltd	839173	6.03	0.00	839173	6.03	0.00
19	Nocil Limited	566320	4.07	0.00	566320	4.07	0.00
20	Suremi Trading Private Limited	415279	2.98	0.00	415279	2.98	0.00
21	Mafatlal Exim Pvt. Ltd.	376207	2.7	0.00	376207	2.7	0.00
22	Mafatlal Impex Private Limited	393728	2.83	0.00	393728	2.83	0.00
23	Arvi Associates Pvt Ltd	25259	0.18	0.00	25259	0.18	0.00
24	Gayatri Pesticchem Mfg Pvt Ltd	22305	0.16	0.00	22305	0.16	0.00
25	Pamil Investments Private Limited	4197	0.03	0.00	4197	0.03	0.00
26	Sushripada Investments Private Limited	2269	0.02	0.00	2269	0.02	0.00
27	Sumil Holdings Private Ltd	10	0	0.00	10	0	0.00
28	Milap Texchem Private Limited	10	0	0.00	10	0	0.00
29	Milekha Texchem Company Private Limited	10	0	0.00	10	0	0.00
30	Shamir Texchem Private Limited	10	0	0.00	10	0	0.00
31	Sheth Mafatlal Gagalbhai Foundation Trust No 2 To 22	16506	0.12	0.00	16506	0.12	0.00
32	Navinchandra Mafatlal Charity Trust No 2 To 15	11004	0.08	0.00	11004	0.08	0.00
33	Shri Arvind N Mafatlal Public Charitable Trust No 1 To 8	6288	0.04	0.00	6288	0.04	0.00
34	Shri Hrshikesh Arvind Mafatlal Public Charitable Trust No 1 To 6	4716	0.03	0.00	4716	0.03	0.00

Sr. No.	Shareholder's Name	Shareholding at the beginning of the Year (01-04-2014)			Shareholding at the end of the Year (31-03-2015)		
		No. of Shares	% of Total Shares of the Company	% of Total Shares Pledged/encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Total Shares Pledged/encumbered to Total Shares
35	Shri Padmanabh Arvind Mafatlal Public Charitable Trust No 1 To 6	4716	0.03	0.00	4716	0.03	0.00
36	Shri Pransukhlal Charity Trust No 1 to 6	4716	0.03	0.00	4716	0.03	0.00
37	Mrs Rekha Hrishikesh Mafatlal Public Charitable Trust No 1 to 5	3120	0.02	0.00	3120	0.02	0.00
38	Mrs Sushila Arvind Mafatlal Public Charitable Trust No 1 to 5	3120	0.02	0.00	3120	0.02	0.00
39	Mrs Miloni Padmanabh Mafatlal Public Charitable Trust No 1 to 5	2692	0.02	0.00	2692	0.02	0.00
40	Vishad P Mafatlal Public Charitable Trust No.1 to 4	2496	0.02	0.00	2496	0.02	0.00
41	Shri Padmakesh Public Charity Trust No 1 to 4	2168	0.02	0.00	2168	0.02	0.00
42	Shri Rishipad Public Charity Trust No.1 to 4	2168	0.02	0.00	2168	0.02	0.00
43	Mrs Vijayalaxmi Navinchandra Mafatlal Public Charity Trust No 16, 19 & 20	1179	0.01	0.00	1179	0.01	0.00
		10419955	74.89	0.00	10419955	74.89	0.00

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

There is no change in shareholding.

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

Sr.No	Shareholder's Name	Shareholding at the beginning of the year (1.04.2014)		Shareholding at the end of the year (31.03.2015)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	For each of the Top Ten Shareholders				
	At the beginning of the year				
1	Bharat Jayantilal Patel	231841	1.67	583532	4.19
2	State Bank Of India	168428	1.21	168428	1.21
3	Acira Consultancy Private Limited	150000	1.08	0	0.00
4	Life Insurance Corporation of India	142815	1.03	142815	1.03
5	Ruchit Bharat Patel	103983	0.75	0	0.00
6	Nikhil Shah	54000	0.39	0	0.00
7	Finquest Securities Pvt. Ltd. - Client	52449	0.38	0	0.00
8	Jyoti S. Nanavati	42176	0.30	36676	0.26
9	Punjab National Bank	39078	0.28	39078	0.28
10	Hardik Bharat Patel	35605	0.26	0	0.00
11	Minal B. Patel	0	0	295000	2.12
12	Bharat Jamnadas Dattani	0	0	34665	0.25
13	BJD Securities Private Ltd	0	0	34341	0.25
14	Prafulchandra Bapalal Vaidya	0	0	31994	0.23
15	Rina S Kamdar	0	0	31000	0.22

The share of the company are traded on a daily basis in dematerialised form and hence the date wise increase/decrease in shareholding is not indicated.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	For Each of the Directors and KMP	No. of Shares held at the beginning of the year 1st April, 2014		No. of Shares held at the end of year on 31st March 2015	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Shri Hrishikesh A. Mafatlal	826803	5.94	826803	5.94
2	Shri Praful R. Amin	211	0.00	211	0.00
3	Shri Niranjan K. Parikh	-	-	-	-
4	Shri Atul K. Srivastava	-	-	-	-
5	Shri Vilas R. Gupte	2	0.00	2	0.00
6	Shri Pradip N. Kapadia	138	0.00	138	0.00
7	Shri Vishad P. Mafatlal	1212316	8.71	1212316	8.71
8	Shri Rajiv Y. Dayal	-	-	-	-
9	Shri Manoj D. Pandya	-	-	-	-
10	Shri Ashish A. Karanji	-	-	-	-

Note : There is no change in the shareholding of Directors during the year. Further Smt. Latika Pradhan, Shri Gautam G. Chakravarti and Shri Sujal A. Shah who were appointed as additional directors on the Board on 17th April, 2015, 30th May, 2015 and 30th May, 2015 respectively, does not have any shareholding in the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment as on 31st March, 2015
(₹ in lacs)

Indebtedness as on 31.03.2015	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	5519,43,308	-	-	5519,43,308
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	15,61,259	-	-	15,61,259
Total (i + ii + iii)	5535,04,567	-	-	5535,04,567
Change in Indebtedness during the financial year				
• Addition	3760,21,090	-	-	3760,21,090
• Reduction	1693,60,933	-	-	1693,60,933
Net Change	2066,60,157	-	-	2066,60,157
Indebtedness at the end of the financial year				
i) Principal Amount	7547,33,347	-	-	7547,33,347
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	54,31,377	-	-	54,31,377
Total (i + ii + iii)	7601,64,724	-	-	7601,64,724

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

Note: Remuneration as provided under this section, does not include perquisites not includible while calculating Remuneration as mentioned in Schedule V (company contribution to P. F. superannuation to the extent not taxable within the provisions of Income Tax etc.)

A. Remuneration to Managing Director, Whole-time Directors and/or Manager for the year 2014-15

(₹ in lacs)

Sl. no.	Particulars of Remuneration	Shri Rajiv Dayal, MD & CEO	Shri V P Mafatlal, WTD	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	118.74	109.61	228.35
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	16.73	8.40	25.13
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit	0	0	0
	- others, specify	0	0	0
5	Others, please specify	0	0	0
	Total (A)	135.47	118.01	253.48
	Ceiling as per the Act 5% /10% of Net Profit calculated under the provisions of section 198 of the Companies Act, 2013	16.43	16.43	32.85

B. Remuneration to other Directors for the year 2014-15:

(₹ in lacs)

Sl. no.	Particulars of Remuneration	Names of Directors				Total Amount
	Independent Directors	Shri V.R. Gupte	Shri P.R. Amin	Shri N.K. Parikh	Shri P.N. Kapadia	
	• Fee for attending board committee meetings	1.90	1.60	1.30	1.60	6.40
	• Commission					
	• Others, please specify	N.A.	N.A.	N.A.	N.A.	0
	Total (1)	1.90	1.60	1.30	1.60	6.40
	Other Non-Executive Directors	Shri H. A.Mafatlal	Shri A.K. Srivastava	Shri P.J. Desai (ceased w.e.f. 30.05.14)	-	
	• Fee for attending board committee meetings	0.90	0.70	0.10	-	1.70
	• Commission	0	0	0	-	0
	• Others, please specify	NA	N.A.	N.A.	-	0
	Total (2)	0.90	0.70	0.10	-	1.70
	Total (B) = (1 + 2)					8.10
	Total Managerial Remuneration					NA
	Overall Ceiling as per the Act					NA

Shri V. R. Gupte, Shri P. R. Amin, Shri N. K. Parikh and Shri P. N. Kapadia, Shri A. K. Srivastava and Shri P. J. Desai were paid commission for the year 2013-14 during the financial year 2014-15 of ₹ 1.87 Lacs, ₹ 2.24 Lacs, ₹ 2.24 Lacs, ₹ 1.87 Lacs, ₹ 2.24 Lacs and ₹ 2.24 Lacs respectively. There is no commission paid to any directors in respect of financial year 2014-15.

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

(₹ in lacs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Shri M. D. Pandya CFO	Shri A. A. Karanji, CS*	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	50.70	09.87	60.57
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	03.90	00.15	04.05
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2.	Stock Option	NA	NA	NA
3.	Sweat Equity	NA	NA	NA
4.	Commission - as % of profit	NA	NA	NA
	-others, specify...	0	0	0
5.	Others, please Specify	0	0	0
	Total	54.60	10.02	64.62

* for part of the year

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

A. COMPANY

Penalty	SEBI (Substantial Acquisition of Shares & Takeover) Regulation, 1997	SEBI (adjudicating officer) passed an order imposing penalty of ₹ 10 Lacs for non-disclosure	Non-filing of disclosure of shareholding of the Company in Mafatlal Finance Co. Ltd.	SEBI	Appeal filed by company in SAT got dismissed and accordingly, the Company complied with SEBI order and paid penalty of ₹ 10 Lacs.
Penalty	Clause 49 of the Listing Agreement	Delay of 16 days in appointment of Women Director	₹ 50,000/- paid	Bombay Stock Exchange	Application seeking waiver of penalty made but BSE has not acceded to the request. Hence the Company has paid the penalty in compliance of their advice.
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

B. DIRECTORS

Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

C. OTHER OFFICERS IN DEFAULT

Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

(B) Number of Meetings of the Board:

During the year 2014-15 i.e. from 1.04.2014 to 31.03.2015, Seven Meetings of the Board of Directors the Company were held.

(C) Changes in Share Capital:

During the year 2014-15 there is no change in the Share Capital of the Company.

(D) Declaration given by Independent Directors:

As per the provisions of Section 149 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement, there were four Non-Executive Directors - Shri P. R. Amin, Shri V. R. Gupte, Shri N. K. Parikh and Shri P. N. Kapadia, all of whom are Independent Directors of the Company. The Company has received declaration of independence from each of them in conformity with the said provisions and the same has been taken on record by the Board of Directors of the Company at their meeting held on 30th May, 2015. Further, the three new Additional Directors appointed by the board of the Directors of the Company have also submitted similar Declarations.

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

In compliance with the provisions of Section 178 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement, the Nomination and Remuneration Committee of the Board of Directors have formulated the criteria for determining qualifications, positive attributes and independence of a director and also recommended to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees, which have been approved and adopted by the Board. The same is reproduced herein below:

A. Criteria for appointing a Director:

- a. He should be a person of integrity, with high ethical standards.
- b. He should be able to commit to his responsibilities and devote sufficient time and attention to his professional obligation as a Director.
- c. He should be having positive thinking, courtesy, humility.
- d. He should be knowledgeable and diligent in updating his knowledge.
- e. He should have qualifications, skills, experience and expertise by which the Company can benefit.
- f. In respect of independent director, in addition to the above (a) to (g), he should fulfil the criteria for being appointed as an Independent Director prescribed under section 149 of the Companies Act, 2013 read with Schedule IV to the said Act and the provisions of clause 49 of the Listing Agreement.
- g. In respect of Executive/Whole time Director/Managing Director, in addition to above (a) to (f), he should have strong quality of leadership and team mentoring, recognition, management skills, vision, ability to steer the organization even in adverse conditions, innovative thinking, result oriented approach, ability to enhance reputation of the organization.

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

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

C. Policy on Remuneration:

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

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

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

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

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

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

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

3. Non-Executive Directors:

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

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

(F) Comments on the Auditors Report:

The Audit Report on the financial statements for the year ended on 31st March, 2015 and observations/comments/ remarks etc. made by statutory auditors of the Company read with the Notes to Financial Statements, are self-explanatory and hence does not require any further comments/clarification by the Board of Directors of the Company.

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

The Company has invested in 25050 equity shares of ₹ 100/- each and 100 equity shares of ₹ 10/- each of The Janata Sahakari Bank Ltd., Pune and The Shamrao Vithal Co Op. Bank respectively, at face value, as a condition precedent to avail the loans from these Banks.

The Company has granted loans -financial assistance for shops' furnishing and repairs to two of its cloth dealers (Mafatlal Family Shops) viz. Ragas Clothing, Tirupur - ₹ 10 lacs- interest @8.5% repayable in 5 years, repayable by half yearly instalments and R K Textiles, Nadiad - ₹ 5 lacs, interest @8.5%, repayable in three years by half yearly instalments. The Company has not provided any guarantee or security for any loan during the year under 2014-15.

(H) Material changes affecting financial position:

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

(I) Development and implementation of Risk Management Policy:

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

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

The Board of Directors of the Company has framed CSR Policy for the Company as per the recommendation of CSR Committee of the Board. The Company has fulfilled its CSR obligation of ₹ 6.16 Lacs for the financial year 2014-15 in conformity with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder, the further prescribed details are mentioned under other para of this annexure.

(K) Composition of Audit Committee:

The Board has constituted the Audit Committee which comprises of Shri P. R. Amin as the Chairman and Shri V. R. Gupte and Shri N. K. Parikh as the Members. All the recommendation made by the Audit Committee on various matters have been accepted by the Board. Further details on the Audit Committee is provided in the corporate governance report which is annexed to this Directors Report.

(L) Vigil Mechanism:

The Board has framed a Whistle Blower Policy/ Vigil Mechanism which is in line with the provisions of section 178 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement. Further details in respect of the vigil mechanism is provided in the corporate governance report which is annexed to this Directors Report.

(M) Other Disclosures :

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

The relevant information is provided in Note No.33.2 in the Notes to the Consolidated Financial Statements.

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

All the related party transactions are entered on arm's length basis and are in compliance with the applicable provisions of the Act and the Listing Agreement. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc., which may have potential conflict with the interest of the Company at large. The Related Party Transaction Policy as approved by the Board is uploaded on the Company's website. Further details on related party transactions are disclosed in the Notes to Financial Statement

Shri Priyavrata H. Mafatlal, a relative of Shri Hrishikesh A. Mafatlal, Chairman of the Company is holding office or place of profit as General Manager- Marketing & Sales of the Company in the salary scale of ₹ 50,000-15,000-1,25,000 with other allowances, benefits and perquisites etc., as applicable to other employees in the Management Cadre Grade-I, of the Company with effect from 1st January, 2011 and from 6th April, 2011 for which the approval of the Shareholders of the Company has been obtained by passing a Special Resolution under Section 314(1)(b) of the Companies Act, 1956, at the 97th Annual General Meeting of the Company held on 23rd September, 2011.

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

I. Conservation of Energy

(A) ENERGY CONSERVATION MEASURES TAKEN:

1. Stop motion sensors installed in Speed Frames (5 Nos.)
2. Energy Saving SISTRA fan replaced in total 12 Nos. Ring Frame machine.
3. Optimized H. & V. Plant operation by monitoring department conditions, reducing pump capacity and stopping fans.
4. Installed a new T.F.O. Machine (No.2) which is has a low motor rating.
5. Total 6 Doubling machines were changed to tin roll pulley drive conversion from tin rolls to reduce power.
6. Specific steam consumption of processing has been reduced from 33.43 of previous year to 28.48 due to installation of new machines.
7. Specific power consumption of processing has been reduced from 2.59 of previous year to 2.44 Units per Kg. of fabric processed due to new machines.
8. Saving done in power at old unit by replacing copper ballast by electronic ballast & lower department overhead lighting.

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

1. Installed new machines for better process and low specific energy consumption
 - a. Osthoff singing machine
 - b. Goller combi range
 - c. Goller merceriser range
 - d. Fongs yarn dyeing machine (5 Nos.)
 - e. Then air flow dyeing machine
 - f. 16 colour MHMS printing machine
 - g. Bruckner 7 field Stenter machine
 - h. Monfort Sanforiser machine
 - i. Thermax FBC thermic fluid heater 2000 BTU

(C) 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. steam consumption of processing has been reduced from 33.43 of previous year to 28.48 due to installation of new machines.
2. power consumption of processing has been reduced from 2.69 units of previous year to 2.44 Units per Kg. of fabric processed due to new machines.

(D) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION:

The above information is furnished below in the prescribed Form A:

FORM-A	Current Year 2014-15	Previous Year 2013-14
A. POWER AND FUEL CONSUMPTION		
1 Electricity		
a) Purchased: Units Lacs KWH	597.30	620.98
Total Cost (Lacs ₹)	4564.95	3538.37
Rate / KWH	7.64	5.70
b) Own Generation:		
i) Through Diesel Generator:		
Units Lacs KWH	0.06	0.02
Unit per litre of diesel oil (KWH)	1.54	1.07
Cost/Unit (Only Diesel) (₹)	38.95	49.50
ii) Through Gas Generator		
Units Lacs KWH	4.03	3.56
Cost/Unit (Only Natural Gas)(₹)	13.77	14.18
iii) Through Steam Turbine/Generator		
Units Lacs KWH	198.56	150.94
Cost/Unit (Only Coal /Lignite/Baggas (₹)	4.63	5.33
2 Coal / Lignite : (Specify quality and where used)		
Steam Coal and Lignite used for Steam Genration in Boilers for Departmental use.		
Quantity (Tonnes)	48105	53844
Total Cost (₹ Lacs)	2030.93	2193.10
Average Rate / Tonne (₹)	4221.83	4073.04
3 Furnace Oil:		
Quantity (K Ltrs.)	0.000	0.000
Total Amount (₹ in lacs.)	0.00	0.00
Average Rate (₹/Ltr.)		
4 Others/Internal Generation:		
B. Consumption Per Unit of Production:		
1 Electricity :		
Purchased and Genration		
KWH/Metre of Grey Production*	2.07	1.96
KWH/Metre of Wet Production	0.30	0.26
Chemicals	NIL	NIL
2 Furnace Oil:	NIL	NIL
Litre/KWH of Grey Production		
KWH/Metre of Wet Production		
3 Coal / Lignite : (Specify quality - Steam Coal)		
Kgs. of Coal/Lignite/Metre of Grey Production	0.19	0.21
Kgs. of Coal/Lignite/Metre of Wet Production(Finished Production)	1.18	1.26
4 Others	N.A.	N.A.

II TECHNOLOGY ABSORPTION:

Efforts made in technology absorption are furnished in the prescribed Form- B :

FORM B

A) RESEARCH AND DEVELOPMENT

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

- Good potential in export as well as domestic market for women's wear application 30s & 60s viscose fabric were developed in Prints & Solid Dyed.
- Due to tremendous demand for LINEN FABRIC in Domestic & Export market, LINEN Fabrics were developed in solid & yarn dyed.
- Started "Viscose" fiber (100%) in spinning process and achieved Yarn Quality Uster 25% level
- 100 % viscose fabric was woven in-house.
- Lycra fabric developed in whites, dyed & yarn dyed.
- Modal & Excel fibers being Eco friendly, fabrics developed in prints & Solid dyed.
- Laboratory Accreditation certificate from Mark & Spencer and NEXT (UK based Customer)
- Renewal of OEKO TEX 100 Certification.

2. Benefits derived as a result of above efforts :

- New business & new customers.
- Improved customer service & customer satisfaction
- Energy conservation .
- Quality Improvement.

3. Future plan of action

- New testing equipment's and up-gradation of existing equipment's.
- To increase Printing, Solid dyed, Yarn dyed Output.
- Auto Color dispensing unit in bulk production to improve RFT.
- New CAD system for design development.

EXPENDITURE ON R & D :

	(₹ in lacs)	
	Current Year 2014 - 2015	Previous Year 2013 - 14
(a) Capital Expenditure :	Nil	319.71
(b) Recurring Expenditure :	75.39	83.04
(c) Total	75.39	402.75
(d) Total R. & D. Expenditure (as a % of Total Turnover)	0.07%	0.43%

B) TECHNOLOGY ABSORPTION AND INNOVATION**1. Efforts in brief made towards technology absorption, adaptation and innovation:**

- Installed ZIMMER 12 color printing machine for high quality printed fabrics.
- To achieve sharpness, fineness of prints latest DLE engraving Machine was installed.
- TEXTFAB loop ager was installed, due to wider width, fabric steaming can be done in Double loop, saving time and energy.
- MENZEL Saoper was installed, Due to its high washing efficiency, saving in water, and energy with all round improvement in color fastness of fabric.
- In spinning, "I"scan contamination sorter machine was installed. This machine is equipped with "high resolution cameras (64 nos.) and UV lights for removing any type of color /pp contamination
- SAVIO POLAR Automatic Splicing Machine was installed in spinning, improvement in Splicing Quality with increase in Production by 40%, & also drastic reduction In Warp Breakages.

2. Benefits derived as result of above efforts:

Energy saving, increase in production, quality improvement, increase in market share due to new products, new customer developed, new product development for new markets.

3. Information regarding technology imported during last 5 years :**(a) Technology imported**

Oshoff Singeing Machines, Germany, Goller Continous Bleaching Range, Germany, Goller Mercerizer, Germany, Then Air Flow Dyeing, Germany, Fongs, Yarn Dyeing, China, MHM Printing -16 colours, Austria, Bruckner Stenter Chambers, Germany, Monfort Sanforising, Germany, Techorama Lab Autodosing, Italy, Datacolor smart match tools, Switzerland, automatic Warping Sampling M/c., China, Automatic Sampling Looms, China, Zimmer 12 colour,

Menzel Washing Range, DLE Engraving Systems

Year of Import : 2012-2013, 2014-2015

Has technology been fully absorbed : YES

(b) If not fully absorbed, not taken place, reasons therefore and future plan of action : NA

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

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

(B) Total Foreign Exchange used and earned:

(₹ in lacs)

	Current Year 2014-15	Previous Year 2013-14
Total Foreign Exchange used	3723.08	2368.21
Total Foreign Exchange earned	12538.24	10382.10

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

In compliance with the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchanges, 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 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 the Listing Agreement with Stock Exchanges.

Individual Directors:

- (a) Independent Directors: In accordance with the criteria suggested by The Nomination and Remuneration Committee, the performance of each independent director was evaluated by the entire Board of Directors (excluding the director being evaluated) on broad parameters like engagement, leadership, analysis, decision making, communication, governance and interest of stakeholders. The Board was of the unanimous view that each independent director was a reputed professional and brought his/her rich experience to the deliberations of the Board. The Board also appreciated the contribution made by all independent directors in guiding the management to achieving growth and continuance of each independent director on the Board will be in the interest of the Company.
- (b) Non-Independent Directors: The performance of each of the non-independent directors was evaluated by the Independent Directors at their separate meeting. Further, their performance was also evaluated by the Board of Directors. The various criteria considered for the purpose of evaluation included leadership, engagement, transparency, analysis, decision making, functional knowledge, governance and interest of stakeholders. The Board was of the unanimous view that each of the non-independent directors was providing good business and people leadership.

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

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

Note: (i) The Company has considered the management cadre employees remuneration while calculating the median concept and accordingly provided the details. (ii) The Remuneration does not include the perquisites not includible in Remuneration while calculating the Remuneration as mentioned in Schedule V (i.e. company contribution to P. F. superannuation to the extent not taxable within the provisions of Income Tax etc.) (ii) Shri Rasesh Shah was the Company Secretary of the company upto 13th June, 2014, hence, the details of his remuneration has not been provided under the section.

i. **Ratio of remuneration of each Director to the median remuneration of the employees of the company for the financial year 2014-15 :**

Sr. No.	Director	Remuneration (₹ in Lacs)	Median Remuneration (₹ in Lacs)	Ratio
1	Shri H A Mafatlal, Chairman	0.70	3.12	0.22
2	Shri V P Mafatlal, Whole Time Director	118.01	3.12	37.82
3	Shri Rajiv Dayal, Managing Director & CEO	135.47	3.12	43.41
4	Shri A K Srivastava	0.70	3.12	0.22
5	Shri P R Amin	1.60	3.12	0.51
6	Shri V R Gupte	1.90	3.12	0.60
7	Shri N K Parikh	1.30	3.12	0.41
8	Shri P N Kapadia	1.60	3.12	0.51

ii. **Percentage increase in remuneration of each Director, CFO, CEO, Company Secretary in the financial year 2014-15 :**

There is no increase in remuneration given to Executive Directors (WTD and MD & CEO) for the year 2014-15 since their remuneration already exceeded the statutory limits for which requisite special resolutions were passed and requisite application to central government made. There is no increase in remuneration of other non-executive non-independent as well as independent directors. Shri Manoj Pandya, CFO has been given 10% increase in remuneration. Percentage increase in remuneration of Shri Ashish Karanji, Company Secretary is not applicable since he joined the Company in August, 2014.

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

iv. **The number of permanent employees on the rolls of the company: 3485**

v. **The explanation on the relationship between average increase in remuneration and company performance:**

(₹ in lacs)

Particulars	2014-15	2013-14
Revenues from Operations/Turnover	101351.54	91772.63
Total Revenues	104469.00	93549.12
EBITDA	5018.17	4610.45
EBITDA as % of Turnover	4.95%	5.02%
PBT	2561.61	2023.17
PBT as % of Turnover	2.52%	2.20%

The total revenues of the Company for the year 2014-15 increased by 11.67% compared to the previous year. The Average increase in remuneration of the employees has been increased during this period by 8% compared to previous year. Considering the performance of the Company, reasonable increase in remuneration have been granted.

vi. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company for the year 2014-15:**

(₹ in lacs)

Remuneration paid to Key Managerial Personnel (to MD & CEO, WTD, CFO & CS)	Total Turnover of the Company	Net Profit of the Company
₹ 318.11	101351.54	2437.49

vii. Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year

Quotes from BSE	As on 31st March, 2015	As on 31st March, 2014
Face Value of Equity Shares of the Company (in ₹)	10/-	10/-
Market price of equity shares of the Company (in ₹)	154/-	116/-
Market Capitalisation (₹ In lacs)	21425.84	16138.94
EPS in ₹	17.52	17.20
Price Earning Ratio	8.79	6.74

viii. Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year :

The Company has been in existence over 100 years .The equity shares of the Company were listed more than 30-40 years back. Hence, such old (the stock exchange) data is not available for comparison of share pricing at public offer.

ix. 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 8%. There is no increase in the managerial remuneration.

x. Comparison of the remuneration of each of the Key Managerial Personnel against the performance of the company: Please refer to the details in para vi above.

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

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

xii. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and Affirmation that the remuneration is as per the remuneration policy of the Company:

None. Further it is confirmed that the remuneration paid is as per the Policy on Remuneration of the Company.

xiii. Details of the of employees employed for full year or part of the year having remuneration of ₹ 60 lacs p.a. where employed for the full year :

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

a. Dayal Rajiv, MD & CEO, 13547507, contractual, Chem. Engineer from IIT Delhi, 40 years of diverse experience, 28.05.2013 (due to amalgamation), 60 years, Mafatlal Denim Ltd., Nil, No. b. Mafatlal Vishad, Executive Vice-Chairman, 11800604, contractual, Bachelor of Science in Economics from the Wharton School, USA, 20 years in different industries, 28.05.2013 (due to amalgamation), 40 years, Mafatlal Denim Limited, 12,12,316

equity shares of ₹ 10/- each, 8.71%, yes, he is nephew of Shri H. A. Mafatlal, Chairman of the Company. C. Raghunath, M. B., President & Business Head (MSD), 9535056, contractual, Degree in Physics, MBA- Mktg from NMMIS-Mumbai, 29 years of experience, 01.04.1995, 50 years, Berger Paints, Nil, Nil %, no.

- xiv. **Details of the employees employed for the part of the year and having salary of not less than ₹ 5 lacs per month. The details are provided in the following prescribed format. Name, Designation, remuneration received, nature of employment (contractual or otherwise), qualification, experience (in years), date of commencement of employment, age of employees (in years), last employment held before joining this company, % of equity shares held by the employee, whether such employee is a relative of any of the Director (answer in yes or no and if yes, names of Directors)**

a. Jhawar Srigopal, President & Business Head(Denim),1895980, contractual, MBA, 19 years, 21.01.2015, 51 years, Bhaskar Denim Ltd., Nil, Nil%, No. b. Maheshwari, V. K., President & Business Head(Textiles), 6212531, Bachelor of Textiles (Hons), 29 years, 01.06.2014,51 years, Morarjee Textiles Ltd., Nil, Nil%, No. c. Ranjan R., President & Business Head (Textiles), 4898355, contractual, Textile Engineer from IIT, Delhi, 37 years of diverse experience, 01.02.1994, 60 years, GTN Textiles, Nil, Nil%, No.

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

None

6. CSR REPORT 2014-15 :

A. Brief outline of CSR Policy :

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act,2013 and the same is available on the weblink http://www.mafatlals.com/uploads/8/3/1/2/8312181/corporate_social_responsibility_policy.pdf 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.)

B. Composition of CSR Committee:

The CSR Committee of the Board of Directors is consists of three directors viz. Shri H. A. Mafatlal, Shri V. P. Mafatlal and Shri V. R. Gupte (Independent Director) and the composition of the Committee conforms to the statutory requirements.

C. Average Profit of the Company for last three financial years :

Year	Net Profit (₹ in lacs)
2013-14	2393.38
2012-13	3715.93
2011-12	(5185.99)
A. Total Net Profit for three years (A)	923.32
B. Average Net Profit (A/3)	307.77
C. 2% of avg.NP (to be spent on CSR of (B)	6.16
D. Prescribed CSR Expenditure (@2% of amount above) :	₹ 6.16 Lacs
E. Details of CSR spent during the financial year 2014-15 :	
i.) Total amount to be spent :	₹ 6.20 lacs
ii.) Amount unspent :	NIL

iii.) Manner in which the amount spent during the financial year 2014-15 :

The Company has contributed for CSR Activities as stated in Company's CSR Policy to two registered trusts carrying on activities falling within the purview of Schedule VII to the Companies Act, 2013

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1.	Promoting Health Care including preventive health care	Health Care	Anandpur, Tehsil Lateri, Dist. Vidisha (M.P.) Activities carried by the Trust Hospital	₹ 3.10 Lacs	₹ 3.10 Lacs	₹ 3.10 Lacs	₹ 3.10 Lacs spent through Shri Sadguru Seva Sangh Trust
2.	-do-	-do-	Thane District through Hospital run by the Trust at Mira Road, Thane	₹ 3.10 Lacs	₹ 3.10 Lacs	₹ 3.10 Lacs	₹ 3,10,000/- Spent through Chaitanya Seva Trust
	TOTAL					₹ 6,20,000/-	

iv. The Company has fulfilled its CSR obligation for the year 2014-15

v. Responsibility Statement of CSR Committee:

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

H. A. Mafatlal
Chairman of CSR Committee

Rajiv Dayal
Managing Director & CEO

Annexure IV to Directors' Report

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31st March, 2015

[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,

MAFATAL INDUSTRIES LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MAFATAL INDUSTRIES LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **MAFATAL INDUSTRIES LIMITED**' books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder.
- (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, 2013;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Employees Provident Fund and Miscellaneous Provisions Act, 1952
- (vii) Employees State Insurance Act, 1948
- (viii) Employers Liability Act, 1938
- (ix) Environment Protection Act, 1986 and other environmental laws.
- (x) Equal Remuneration Act, 1976
- (xi) Factories Act, 1948
- (xii) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rules, 2003
- (xiii) Indian Contract Act, 1872
- (xiv) Income Tax Act, 1961 and Indirect Tax Laws
- (xv) Indian Stamp Act, 1899
- (xvi) Industrial Dispute Act, 1947
- (xvii) Maternity Benefit Act, 1961
- (xviii) Minimum Wages Act, 1948
- (xix) Negotiable Instrument Act, 1881
- (xx) Payment of Bonus Act, 1965
- (xxi) Payment of Gratuity Act, 1972
- (xxii) Payment of Wages Act, 1936 and other applicable Labour laws

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India which is not applicable for the financial year 2014-15.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and Ahmedabad Stock Exchange Limited.

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

- i) The Company has complied with the second proviso to Section 149(1) read with Rule 3 of the Companies (Appointment and Qualifications of Directors) Rules,

2014 pertain to the appointment of Woman Director was made on 17th April, 2015 i.e. after the close of the year under review.

- ii) It is observed that the company has made excess payment of Managerial remuneration under the provisions of Section 197 of the Companies Act, 2013. However, pursuant to the provisions of Schedule V to the Companies Act, 2013 read with the General Circular No. 07/2015 dated 10th April, 2015 issued by Ministry of Corporate Affairs, no approval of Central Government is required for these managerial remuneration since the Company is proposing to obtain approval of the Shareholders by Special Resolution in respect of aggregate managerial remuneration paid at ensuing 101st Annual General Meeting.
- iii) The Company had received Notice dated 5th March, 2014, from SEBI for non-compliance of Regulations 8(1) and 8(2) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, for non-filing the forms with Stock Exchanges for the Shares held by the Company of Mafatlal Finance Co. Ltd., as Promoter of the said Company. The Company filed its written submissions and also appeared before the SEBI. However, the Adjudicating Officer vide Order dated 24th March, 2014, imposed a Penalty of ₹ 10 lacs. The Company preferred an Appeal before the SEBI Appellate Tribunal (SAT) against the said Order. At the hearing held on 13th June, 2014, SAT dismissed the Appeal filed by the Company. Consequently, the Company had towards the compliance of the SEBI Order, made the payment of ₹ 10 lacs to SEBI and settled the matter.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during

the year 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.

There was no incidence of dissent from Directors were found.

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

I further report that during the audit period, there were no instances of:

- (i) Public/Right/Preferential issue of shares / debentures/ sweat equity, etc
- (ii) Redemption/buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013. except the Company has passed a Special Resolution u/s.180(1) (a) and 180(1)(c) on 05.08.2014 giving consent to Board of Directors to borrow money in excess of aggregate of paid up share capital and free reserves of the company subject to the limit of ₹ 500/- crores against the charge over whole or substantially whole of the undertaking/s of the Company.
- (iv) Merger/ amalgamation/ reconstruction etc.
- (v) Foregin technical collaborations.

MANUPRASAD PATEL
FCS ; 2588 C P No.:6357

Place :Ahmedabad
Date : 30th May, 2015

Independent Auditor's Report

To the Members of Mafatlal Industries Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Mafatlal Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of significant accounting policies and other explanatory information for the year then ended, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branches at Ahmedabad and Nadiad.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Attention is invited to Note no. 30.4, regarding non accounting of income from rent and other charges aggregating to ₹83.61 lacs upto 31st March, 2015 (₹83.61 lacs upto 31st March, 2014) for the reasons stated therein which constitutes a departure from the Accounting Standard (AS)-1 'Disclosure of Accounting Policies' and Accounting Standard (AS)-9 'Revenue Recognition' specified under Section 133 of the Act; if the same is considered, rental income from investment property would be higher by aggregate amount of ₹83.61 lacs (aggregate upto 31st March 2014, ₹83.61 lacs), income tax, net profit and shareholder's funds would have been increased by ₹ 17.53 lacs, ₹ 66.08 lacs and by ₹ 66.08 lacs respectively (previous year ended 31st March 2014: increased by ₹ 17.53 lacs, ₹ 66.08 lacs, and by ₹ 66.08 lacs respectively). This matter was also qualified in our report on the financial statements for the year ended 31st March, 2014.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note no. 30.12 to the financial statements regarding managerial remuneration for the year 2013-14 for which the Central Government's approval is awaited.

Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial information of two branches included in the standalone financial statements of the Company whose financial information reflect total assets of ₹ 15,446.21 lacs as at 31st March, 2015 and total revenues of ₹ 19,192.82 lacs for the year ended on that date, as considered in the standalone financial statements. The financial information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 purpose of our audit;
 - b. *Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - c. The reports on the accounts of the branch offices of the Company audited under section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
 - d. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;
 - e. *Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - f. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
 - g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 30.1 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration Number 117364W

(R. Salivati)
(Partner)

Membership Number 34004

Mumbai, Date 30th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date of MAFATLAL INDUSTRIES LIMITED for the year ended March 31, 2015)

Having regard to the nature of the Company's business / activities / result, clauses (v) and (viii) of the Order are not applicable to the Company for the year.

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loans:
 - (a) The receipts of principal amounts and interest have been as per stipulations.
 - (b) There is no overdue amount in excess of Rs. 1 lakh remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vi) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable. As at the year end, the arrears of Statutory Dues outstanding for a period of more than six months aggregate to ₹ 51.92 lacs in respect of interest on Provident Fund, ₹ 49.07 lacs in respect of interest on Employees State Insurance dues, ₹ 3.34 lacs in respect of Excise Duty and ₹ 769.02 lacs in respect of interest on water charges.
 - (c) Details of dues of Income-Tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum Where Dispute is Pending	Period to which the amount relates	Amount (₹ in lacs)
Central Excise Act, 1944	Excise Duty	Assistant Commissioner	1989-90 to 2003-04	251.80
Central Excise Act, 1944	Excise Duty	Assistant Commissioner	2006-07 to 2010-11	1.42
Central Excise Act, 1944	Excise Duty	Commissioner	1989-90 to 2003-04	2,195.08
Central Excise Act, 1944	Excise Duty	Commissioner (Appeals)	1989-90 to 2003-04	54.92
Central Excise Act, 1944	Excise Duty	CESTAT	1989-90 to 2003-04	25.60
Central Excise Act, 1944	Excise Duty	High Court	1989-90 to 2003-04	72.66
Central Excise Act, 1944	Excise Duty	Supreme Court	1989-90 to 2003-04	13.42
Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise	2007-08 to 2009-10	2,675.21
Customs Act, 1962	Custom Duty	Joint Director General of Foreign Trade	1989-90 to 1999-00	4.79
Bombay Industrial Relations Act, 1946	Labour Dues	Labour Court	1993 to 2008	1,408.66
Maharashtra Value Added Tax	Sales Tax (including Interest of ₹70.55 lakhs)	Joint Commissioner of Sales Tax (Appeals) - II	1999-2000	90.94
Central Sales Tax Act, 1956	Sales Tax (including Interest of ₹15.35 lakhs)	Joint Commissioner of Sales Tax (Appeals) - II	1999-2000	21.74
Mumbai Municipal Corporation Act, 1988	Property Tax (Refer Note no. 30.1(a) (ix))	Assessor and Collector (City), Assessment and Collection Department	2008-2010	3,075.49
The Income-tax Act, 1961	Income Tax	Dy. Commissioner of Income Tax	Assessment Year 2012-13	9.48
The Income-tax Act, 1961	Income Tax	Commissioner of Income Tax	Assessment Years 1997-98, 1998-99, 2002-03, 2003-04, 2009-10, 2011-12, 2012-13	2,360.46
The Income-tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	Assessment Years 1986-87, 1987-88, 2003-04, 2004-05, 2006-07, 2007-08	532.43
Service Tax Rules	Service Tax	CESTAT (Ahmedabad)	1997-99	0.70

(d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

(vii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees (being Letter of Comfort) given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company. (Refer note no. 30.1(b) on guarantee given for a subsidiary).

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration Number 117364W

(R. Salivati)
(Partner)

Membership Number 34004

Mumbai, Date 30th May, 2015

Balance Sheet as at 31st March, 2015

(₹ in lacs)

	Note No.	As at 31st March, 2015	As at 31st March, 2014
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	1,391.22	1,391.22
(b) Reserves and surplus	4	35,153.84	33,330.28
		36,545.06	34,721.50
2 Non-current liabilities			
(a) Long-term borrowings	5	6,280.04	3,846.29
(b) Deferred tax liabilities (net)	6	305.67	255.00
(c) Other long term liabilities	7	276.93	262.28
(d) Long-term provisions	8	514.66	939.38
		7,377.30	5,302.95
3 Current liabilities			
(a) Short-term borrowings	9	7,212.25	6,725.52
(b) Trade payables	10	19,141.38	12,751.35
(c) Other current liabilities	11	4,295.87	4,463.21
(d) Short-term provisions	12	1,800.39	1,557.05
		32,449.89	25,497.13
Total		76,372.25	65,521.58
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13(a)	16,423.25	15,703.82
(ii) Intangible assets	13(b)	87.72	110.32
(iii) Capital work-in-progress		3,580.38	1,459.51
		20,091.35	17,273.65
(b) Non-current investments	14	4,788.97	4,865.37
(c) Long-term loans and advances	15	6,002.82	4,254.39
(d) Other non-current assets	16	642.61	603.95
		31,525.75	26,997.36
2 Current assets			
(a) Inventories	17	12,235.09	12,369.43
(b) Trade receivables	18	19,927.97	13,854.90
(c) Cash and cash equivalents	19	10,724.39	10,182.24
(d) Short-term loans and advances	20	1,542.50	1,686.21
(e) Other current assets	21	416.55	431.44
		44,846.50	38,524.22
Total		76,372.25	65,521.58
Significant accounting policies	2		
See accompanying notes forming part of the financial statements			

In terms of our report attached.

For DELOITTE HASKINS & SELLS For and on behalf of the Board of Directors

Chartered Accountants

Registration No. 117364W

H. A. Mafatlal
ChairmanV. P. Mafatlal
Vice ChairmanA. A. Karanji
Company SecretaryR. Y. Dayal
Managing Director &
Chief Executive OfficerM. D. Pandya
Chief Financial OfficerP. R. Amin
N. K. Parikh
P. N. Kapadia
L. P. Pradhan
G. G. Chakravarti
S. A. Shah

Directors

(R. SALIVATI)
Partner

Membership No. 34004

Mumbai, 30th May, 2015

Mumbai, 30th May, 2015

Statement of Profit and Loss for the year ended 31st March, 2015

(₹ in lacs)

Particulars	Note No.	Current year	Previous year
1 Revenue from operations	22	101,351.54	91,772.63
2 Other income	23	3,117.46	1,776.49
3 Total revenue (1 + 2)		104,469.00	93,549.12
4 Expenses			
(a) Cost of materials consumed	24(a)	22,361.48	26,489.88
(b) Purchases of stock-in-trade (Trading Activity)	24(b)	42,717.40	33,611.11
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24(c)	(313.97)	(2,668.17)
(d) Employee benefits expense (Net)	25	9,737.28	8,105.70
(e) Finance costs (Net)	26	1,684.05	1,489.45
(f) Depreciation and amortization expense	27	1,671.14	1,834.60
(g) Other expenses	28	24,948.64	23,400.15
Total expenses		102,806.02	92,262.72
5 Profit before exceptional items and tax (3 - 4)		1,662.98	1,286.40
6 Exceptional items	29	898.63	736.77
		898.63	736.77
7 Profit before tax (5+6)		2,561.61	2,023.17
8 Tax (expense) / benefit :			
(a) Current tax expense		(531.00)	(356.00)
(b) Less: MAT credit		515.00	356.00
(c) Excess provision for tax relating to prior years		-	200.21
(d) Net Current tax (expense) / benefit (a+b+c)		(16.00)	200.21
(e) Deferred tax (charge) / credit		(108.12)	170.00
Net tax (expense) / benefit (d+e)		(124.12)	370.21
9 Profit for the year (7+8)		2,437.49	2,393.38
10 Earnings per share (on face value of ₹ 10/- each) - (Refer Note no. 31.2)			
(a) Basic		17.52	17.20
(b) Diluted		17.52	17.20
Significant accounting policies	2		

See accompanying notes forming part of the financial statements

In terms of our report attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants
Registration No. 117364W

For and on behalf of the Board of Directors

H. A. Mafatlal
ChairmanV. P. Mafatlal
Vice ChairmanR. Y. Dayal
Managing Director &
Chief Executive OfficerA. A. Karanji
Company SecretaryM. D. Pandya
Chief Financial Officer
P. R. Amin
N. K. Parikh
P. N. Kapadia
L. P. Pradhan
G. G. Chakravarti
S. A. Shah

Directors

(R. SALIVATI)
Partner
Membership No. 34004

Mumbai, 30th May, 2015

Mumbai, 30th May, 2015

Cash Flow Statement for the year ended 31st March, 2015

₹ In lacs

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
A. Cash flow from operating activities		
Net Profit after exceptional items and before tax as per the Statement of Profit and Loss	2,561.61	2,023.17
Adjustments for,		
Depreciation and amortization expense	1,671.14	1,834.60
Profit on sale of Non Current Investments - Investment Property - Exceptional Item	(898.63)	(731.15)
Profit on sale / disposal of fixed assets (Including - Exceptional Item ₹ Nil (Previous Year ₹ 5.62 lacs)	(560.18)	(15.29)
Finance costs on Borrowings	1,642.27	1,521.15
Finance costs on Borrowings TUF Income	(194.80)	(243.13)
Finance Cost on other than Borrowings	236.58	211.43
Interest income	(1,020.12)	(1,053.66)
Dividend income	(191.23)	(193.29)
Rental Income on Investment Properties	(407.54)	(276.13)
Profit on sale of long term Investments other than Investment Properties- (including ₹ Nil (Previous year ₹ 0.05 lac) on sale of Subsidiaries)	(1,077.41)	(1.10)
Loss on sale of fixed assets sold/scrapped / written off	33.42	5.74
Liabilities / Provisions no longer required	(57.26)	(258.75)
Debit balances in creditors account written off	-	31.64
Bad trade and other receivables/ Loans and advances written off (net)	14.54	7.87
Provision for Non Current Investments	43.23	-
Provision for doubtful debts/ advances	19.44	14.47
Net unrealised exchange loss /(gain)	10.21	(119.56)
Operating profit before working capital changes	1,825.27	2,758.01
<i>Changes in working capital</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	134.34	(1,706.23)
Trade receivables	(6,117.26)	(1,530.55)
Short term Loans and advances	143.71	(398.16)
Long term loans and advances	(1,231.45)	413.86
Other Current Assets	14.89	(292.55)
Other Non Current Assets	(43.53)	(532.61)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Short Term Provisions	8.60	428.37
Long Term Provisions	(467.95)	(165.81)
Interest accrued and due on other than borrowings	(44.20)	(715.69)
Other Current Liabilities	215.85	522.76
Other Long Term Liabilities	14.65	54.77
Trade and other payables	6,481.27	2,882.48
	(891.08)	(1,039.36)
Cash generated from Operations	934.19	1,718.65
Net income tax (paid) / refunds	(245.60)	(517.61)
Net Cash generated from Operating activities	688.59	1,201.04

Cash Flow Statement for the year ended 31st March, 2015

₹ In lacs

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
B. Cash flow from investing activities		
Purchase of Fixed Assets and Capital Work in Progress (including Capital Advances)	(4,682.32)	(3,593.66)
Sale of Fixed Assets	531.67	26.10
Purchase of Non Current Investments-Other than Investment Property	(25.08)	-
Sale of Non Current Investments - Investment Properties	903.00	735.98
Dividend income from long term investments	191.23	193.29
Rental Income on Investment Properties	407.54	276.13
Interest Income	1,024.99	1,051.66
Other Bank balances not considered as Cash and Cash Equivalents	(153.52)	(3,795.39)
Sale of Non Current Investments - Other than Investment Properties	1,127.40	1.10
Net cash (used in) investing activities	(675.09)	(5,104.80)
C. Cash flow from financing activities		
Redemption of Preference Shares (Refer Note 3(b)(ii))	-	(3,000.00)
Finance Costs	(1,651.17)	(1,791.38)
Proceeds from Short Term Borrowings	486.73	3,031.52
Proceeds from / (Repayments of) Long Term Borrowings	2,027.90	(1,284.84)
Dividend Paid	(417.39)	(686.74)
Tax on Dividend	(70.94)	(118.22)
Net cash generated from / (used in) financing activities	375.13	(3,849.66)
Net Increase / (Decrease) in cash and cash equivalents	388.63	(7,753.42)
Cash and cash equivalents at the beginning of the year	656.84	8,410.26
Cash and cash equivalents at the end of the year (Note no. 19)	1,045.47	656.84
See accompanying notes forming part of the financial statements		

In terms of our report attached.

 For DELOITTE HASKINS & SELLS
 Chartered Accountants
 Registration No. 117364W

For and on behalf of the Board of Directors

H. A. Mafatlal
ChairmanV. P. Mafatlal
Vice ChairmanA. A. Karanji
Company SecretaryR. Y. Dayal
Managing Director &
Chief Executive OfficerM. D. Pandya
Chief Financial Officer
 P. R. Amin
 N. K. Parikh
 P. N. Kapadia
 L. P. Pradhan
 G. G. Chakravarti
 S. A. Shah

Directors

 (R. SALIVATI)
 Partner
 Membership No. 34004

Mumbai, 30th May, 2015

Mumbai, 30th May, 2015

Notes forming part of Financial Statements for the year ended 31st March, 2015

1. Corporate Information

Mafatlal Industries Limited (the "Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the Mumbai and Ahmedabad stock exchanges. 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 units at Nadiad and Navsari.

2. Significant Accounting Policies

a. Basis of accounting and preparation of Financial Statements

The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013 / Companies Act, 1956 as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c. Inventories

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

Stores, spares, raw materials and trading goods - Weighted average cost

Process stock and finished goods - Material cost plus appropriate value of overheads

Others (land) - At cost on conversion to stock-in trade plus cost of improvement

d. Depreciation on tangible fixed assets

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the Plant and Machinery, in whose case the life of the assets has been assessed on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.

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

e. Revenue recognition

Revenue including other income is recognized when no significant uncertainty as to its' determination or realization exists.

f. Export Benefits

Export Benefits available under prevalent schemes are accrued in the year when the right to receive credit as per the terms of the scheme is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate realization / utilization of such benefits.

g. Fixed Assets (Tangible / Intangible)

Fixed assets are recorded at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation, amortization and impairment loss, if any.

Notes forming part of Financial Statements for the year ended 31st March, 2015

Capital Work-in progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

h. Foreign currency transactions and translations

Transactions in foreign currency are recorded at the original rates of exchange in force at the time the transactions are effected. At the year-end, monetary items denominated in foreign currency and forward exchange contracts are reported using closing rates of exchange. Exchange differences arising thereon and on realization/ payment of foreign exchange are accounted, in the relevant year, as income or expense.

In case of forward exchange contracts, or other financial instruments that are in substance forward exchange contracts, the premium or discount arising at the inception of the contracts is amortized as expense or income over the life of the contracts. Gains/ losses on settlement of transactions arising on cancellation/ renewal of forward exchange contracts are recognized as income or expense.

i. Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated where applicable in accordance with the policy stated for fixed assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

j. Employee benefits

- a. The Company contributes towards Employees State Insurance Scheme, Provident Fund, Family Pension Fund and Superannuation Fund which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution as required to be made under the statutes/ rules.
- b. Gratuity liability, a defined benefit scheme, and provision for compensated absences are accrued and provided for on the basis of actuarial valuations made at the year end.

k. Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

l. Operating Lease

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognized as Operating Lease. Operating Lease receipts and payments are recognized as income or expense, as the case may be, in the Statement of Profit and Loss on a straight-line basis over the lease term.

m. Taxes on income

Tax expenses comprise both current and deferred tax at the applicable enacted/ substantively enacted rates. Current tax represents the amount of income tax payable/ recoverable in respect of the taxable income/ loss for the reporting period.

Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets and Liabilities are measured using the tax rates and tax laws that have been enacted

Notes forming part of Financial Statements for the year ended 31st March, 2015

or are substantively enacted by the balance sheet date. In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realize such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

Current and deferred tax relating to items directly recognized in reserves are recognized in reserves and not in the Statement of Profit and Loss.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

n. Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

o. Impairment of assets

Impairment loss is provided to the extent the carrying amount of assets exceed their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash-flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

p. Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are not recognised in the financial statement.

q. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/utilizing the credits.

r. Operating Cycle

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

s. Government grants and subsidies

Grants and subsidies from the Government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

Notes forming part of Financial Statements for the year ended 31st March, 2015

The grant or subsidy that relates to interest expenses is recognized as income over the periods necessary to match them on a systematic basis to the interest costs, which it is intended to compensate. The grant or subsidy relating to the fixed assets is deducted in arriving at the carrying amount of the related fixed asset.

3 SHARE CAPITAL

	As at 31st March, 2015		As at 31st March, 2014	
	Number of shares	₹ in lacs	Number of shares	₹ in lacs
(a) 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		10,000.00		10,000.00
(b) Issued				
Equity shares of ₹ 10/- each with voting rights	13,912,886	1,391.28	13,912,886	1,391.28
(c) 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		1,391.22		1,391.22

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Number of shares	Amount (₹ in lacs)	Number of shares	Amount (₹ in lacs)
(i) Equity shares with voting rights				
Opening balance	13,912,886	1391.28	9,813,471	981.34
Allotted Pursuant to Scheme of Amalgamation (Refer Note (e)-(ii) below)	-	-	4,099,415	409.94
Less: Allotment money/ Calls in arrears	-	0.06	-	0.06
Closing balance	13,912,886	1391.22	13,912,886	1391.22

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Number of shares	Amount (₹ in lacs)	Number of shares	Amount (₹ in lacs)
(ii) Fully Redeemable Non-Cumulative Preference Shares				
Opening balance	-	-	30,000,000	3,000.00
Less: Redeemed during the year	-	-	30,000,000	3,000.00
Closing balance	-	-	-	-

b. (i) Terms / rights attached to Equity shares:

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Notes forming part of Financial Statements for the year ended 31st March, 2015

During the year ended 31st March, 2015, the amount of dividend, per share, recognized as distributions to equity shareholders is ₹ 3/- (Previous year ended 31st March, 2014 ₹ 3/-).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

(ii) Terms / rights attached to Preference shares:

In terms of Modified Scheme (MS) approved by BIFR in June 2009, 600,00,000 Fully Redeemable Non-Cumulative Preference Shares of ₹ 10/- each were redeemable over a period of eight years as a subordinated liability to the dues of workers, statutory agencies and the secured creditors. 50% of the shares were redeemed during the period ended 31st March, 2012 and remaining 50% of the shares have been redeemed during the year ended 31st March, 2014.

c. Details of shares held by each shareholder holding more than 5% shares in the Company:

Equity shares of ₹ 10/- each fully paid	31st March, 2015		31st March, 2014	
Name	Nos.	% holding	Nos.	% holding
Navin Fluorine International Limited	1,774,707	12.76	1,774,707	12.76
V. P. Mafatlal	1,212,316	8.72	1,212,316	8.72
Rupal V. Mafatlal	1,203,465	8.65	1,203,465	8.65
Altamount Products and Services Private Limited	1,064,443	7.65	1,064,443	7.65
Sukarma Investments Private Limited	839,173	6.03	839,173	6.03
H. A. Mafatlal	826,803	5.94	826,803	5.94
Rekha H. Mafatlal	804,283	5.78	804,283	5.78

d. Preference shares redeemed by the Company during the period of five years immediately preceding the reporting date:

	Nos.	₹ In lacs
As at 31st March, 2015	60,000,000	6,000.00
As at 31st March, 2014	60,000,000	6,000.00
As at 31st March, 2013	30,000,000	3,000.00

e. Aggregate number of Equity shares issued for consideration other than cash during five years immediately preceding the reporting date:

- During the year 2010-11, 300,00,000 Optionally Convertible Fully Redeemable Non-Cumulative Preference Shares of ₹ 10/- each were converted into 48,13,860 Equity shares of ₹ 10/- each of the Company at a premium of ₹ 52.32 per equity share.
- During the year 2013-14, 40,99,415 Equity shares of ₹ 10/- each fully paid-up have been issued to shareholders of erstwhile Mafatlal Denim Limited, as consideration on merger with the Company.

f. Calls unpaid (by other than officers and directors)

	As at 31st March, 2015	As at 31st March, 2014
	₹ In lacs	₹ In lacs
Calls Unpaid	0.06	0.06

g. During 1987-88, 535,000 shares (of ₹ 100/- each) were allotted on rights basis subject to the result of suit nos. 3181 and 3182 of 1987 filed by three shareholders against the Company and Others in the Ahmedabad City Civil Court. The suits are pending disposal.

Notes forming part of Financial Statements for the year ended 31st March, 2015

4 RESERVES AND SURPLUS

	(₹ in lacs)	
	As at 31st March, 2015	As at 31st March, 2014
(a) Capital Reserve no. 1		
Opening balance	61.16	61.16
(b) Capital Reserve no. 2		
Opening balance	35.00	35.00
(c) Capital Reserve on Amalgamation		
Opening balance	3,634.48	3,634.48
(d) Capital Redemption Reserve		
Opening balance	8,383.14	5,383.14
Add: Transferred from the Statement of Profit and Loss	-	3,000.00
Closing balance	8,383.14	8,383.14
(e) Securities Premium Account		
Opening balance	17,452.07	17,452.07
(f) Capital Investment Reserve:		
(Non-taxable excess of sale proceeds over book value)		
Opening balance	75.96	75.96
(g) Investment Reserve:		
(Taken over from Mafatlal Gagalbhai and Company Private Limited from 01-04-1972 on Amalgamation)		
Opening balance	1.78	1.78
(h) Export Profit Reserve		
(Taken over from erstwhile The Mafatlal Fine Spinning and Manufacturing Co. Ltd. on amalgamation)		
Opening balance	20.00	20.00
(i) General Reserve		
Opening balance	620.00	375.00
Transferred from Surplus in the Statement of Profit and Loss	-	245.00
Closing balance	620.00	620.00
(j) Surplus in the Statement of Profit and Loss		
Opening balance	3,046.69	4,386.64
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 30.16)	111.57	-
	2,935.12	4,386.64
Addition: Profit for the year	2,437.49	2,393.38
	5,372.61	6,780.02
Less: Appropriations		
Transferred to Capital Redemption Reserve on Redemption of Preference Shares	-	(3,000.00)
Transferred to General Reserve	-	(245.00)
Dividend proposed to be distributed to equity shareholders [Dividend per Share ₹ 3/- (Previous year ₹ 3/-)]	(417.39)	(417.39)
Tax on Dividend	(84.97)	(70.94)
Total appropriations	(502.36)	(3,733.33)
Closing balance	4,870.25	3,046.69
Total	35,153.84	33,330.28

Notes forming part of Financial Statements for the year ended 31st March, 2015

5 LONG-TERM BORROWINGS

(₹ in lacs)

	As at 31st March, 2015	As at 31st March, 2014
Term Loans		
From Banks - Secured [Refer Note no.(ii)]	5,392.66	2,619.15
From Banks - Secured - Loans for Vehicles [Refer Note no.(iii)]	107.63	69.48
From Others - Secured [Refer Note no.(iv)]	779.75	1,157.66
Total	6,280.04	3,846.29

- (i) For Current maturities of Long Term Borrowings; Refer Note No.11(a) - Other Current Liabilities.
- (ii) (a) Term loans of ₹ 2,619.15 lacs (Previous year ₹ 3,417.15 lacs) from a bank are repayable in quarterly installments till March 2018. These Loans are secured by a pari-passu mortgage / hypothecation charge on certain fixed assets, including leasehold land and hypothecation charge on certain current assets of the Company and pledge by promoters/ promoter companies of certain shareholding in the Company. The loans carry interest linked to the lenders' Prime Lending Rates. The effective rate of interest for the year was in the range of 14.90% to 15.00% p.a (Previous year 15.50% to 16.00% p.a.).
- (b) Term loan of ₹ NIL lacs (Previous year ₹ 500.00 lacs) from a bank was repaid in monthly installments till October 2014. This Loan was secured by a pari-passu mortgage / hypothecation charge on certain current Assets of the Company and pledge by promoters/ promoter companies of certain shareholding in the Company. The loans carry interest linked to the lenders' Base Rates. The effective rate of interest for the year was in the range of 14% p.a. (Previous year 13.75% to 14% p.a.).
- (c) Term loan of ₹ 1,814.62 lacs (Previous year ₹ NIL) from a bank are repayable in monthly installments beginning from September, 2016 till August, 2021 after a moratorium period of 24 months. The Loan is secured by mortgage / hypothecation charge on certain fixed assets and pledge of Equity shares owned by the Company. The loan carry interest linked to the lenders' Prime Lending Rates. The effective rate of interest for the year was in the range of 14.00% to 14.50% p.a (Previous year Not Applicable).
- (d) Term loan of ₹ 1,813.88 lacs (Previous year ₹ NIL) from a bank are repayable in monthly installments beginning from December, 2016 till December 2021 after a moratorium period of 24 months. The Loan is secured by mortgage / hypothecation charge on certain fixed assets and second charge on certain current assets of the Company. The loan carry interest linked to the lenders' Prime Lending Rates. The effective rate of interest for the year was in the range of 13.50% to 13.75% p.a (Previous year Not Applicable).
- (iii) Loans for Vehicles from Banks is repayable in monthly installments and the same is secured by hypothecation of respective vehicles. The effective rate of interest for the year was in the range of 10.50% to 11% p.a. (Previous year 10.50% to 11% p.a.).
- (iv) (a) Term loan of ₹ 689.25 lacs (Previous year ₹ 899.25 lacs) from a Financial Institution is repayable in quarterly installments till March 2018. The Loan is secured by a pari-passu mortgage / hypothecation charge on the Company's certain fixed assets, including leasehold land and hypothecation charge on certain current assets of the Company and pledge by promoters/ promoter companies of certain shareholding in the Company. The loan carry an interest linked to the lenders' Prime Lending Rates. The effective rate of interest for the current year was at 13.25% to 16.75% p.a. (Previous year 16.75% p.a.).
- (b) Term loan of ₹ 468.41 lacs (Previous year ₹ 611.13 lacs) from a Financial Institution is repayable in quarterly installments till March 2018. The Loan is secured by pari-passu hypothecation charge on certain current assets of the Company and pledge by promoters/ promoter companies of certain shareholding in the Company. The loan carries interest @ 12.25% to 13.25% p.a. (Previous year 12.25% p.a.).

Notes forming part of Financial Statements for the year ended 31st March, 2015

6 DEFERRED TAX LIABILITIES (NET)

(₹ in lacs)

	As at 31st March, 2015	As at 31st March, 2014
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	2,178.75	1,991.61
Tax effect of items constituting deferred tax liability	2,178.75	1,991.61
Tax effect of items constituting deferred tax assets		
Provision for doubtful debts / advances and lease equalisation reserve (net)	54.08	124.64
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	887.78	1,349.59
Unabsorbed depreciation carried forward	931.22	262.38
Tax effect of items constituting deferred tax assets	1,873.08	1,736.61
Net deferred tax liability (net)	305.67	255.00

Note: The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

7 OTHER LONG-TERM LIABILITIES

(₹ in lacs)

	As at 31st March, 2015	As at 31st March, 2014
(i) Trade/ Security deposits received	225.16	225.20
(ii) Interest accrued on others	51.77	37.08
Total	276.93	262.28

8 LONG-TERM PROVISIONS

(₹ in lacs)

	As at 31st March, 2015	As at 31st March, 2014
Provision for employee benefits		
(i) Provision for Compensated absences (Refer Note no.31.4)	514.66	472.63
(ii) Provision for Gratuity (Refer Note no. 31.4)	-	466.75
Total	514.66	939.38

9 SHORT-TERM BORROWINGS

(₹ in lacs)

	As at 31st March, 2015	As at 31st March, 2014
Loans repayable on demand		
From Banks		
Secured * - Overdraft facility	3,171.44	5,880.65
Secured ** - Cash credit	4,040.81	844.87
Total	7,212.25	6,725.52

* Secured against Fixed Deposits of ₹ 7,372.79 lacs, maturing on various dates, last date of maturity 15th March, 2016. (Previous year: ₹ 7,420.00 lacs, last date of maturity 15th March, 2015).

** Cash credit facility are secured by hypothecation of certain Stocks and Book debts both present and future of the Company, second charge on certain fixed assets of the Company and pledge of investments held by the Company. The cash credit is repayable on demand and carry an interest @ 12.75% to 14.50% p.a (Previous year 14.50% p.a.)

Notes forming part of Financial Statements for the year ended 31st March, 2015

10 TRADE PAYABLES

(₹ in lacs)

	As at 31st March, 2015	As at 31st March, 2014
Other than acceptances (Refer Note no. 30.3)	19,141.38	12,751.35
Total	19,141.38	12,751.35

11 OTHER CURRENT LIABILITIES

(₹ in lacs)

	As at 31st March, 2015	As at 31st March, 2014
(a) Current maturities of long-term debt (Refer Note No.5 Long Term Borrowings for details of securities)		
(i) From Banks - Secured	855.00	1,298.00
(ii) From Banks - Secured - Loans for Vehicles	34.38	22.42
(iii) From Others - Secured	377.91	352.72
(b) Interest accrued but not due on borrowings	39.59	6.71
(c) Unclaimed dividends	14.72	8.90
(d) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	566.43	527.98
(ii) Payables on purchase of fixed assets	45.96	12.01
(iii) Interest accrued on other than borrowings	879.28	923.48
(iv) Trade / security deposits received	44.72	37.25
(v) Advances from customers	448.09	187.77
(vi) Other advances (Refer Note no. 30.4)	577.89	577.89
(vii) Others includes Voluntary Retirement Scheme, electricity dues.	331.28	461.44
(viii) Lease rent/ utilities equilisation on expense	80.62	46.64
Total	4,295.87	4,463.21

12 SHORT-TERM PROVISIONS

(₹ in lacs)

	As at 31st March, 2015	As at 31st March, 2014
(a) Provision for employee benefits		
(i) Provision for Compensated absences (Refer Note no.31.4)	142.64	174.53
(ii) Provision for Gratuity (Refer Note no. 31.4)	173.94	133.45
	316.58	307.98
(b) Provisions - Others		
(i) Provision for tax (net of advance tax ₹ 11,125.65 lacs (As at 31st March, 2014 ₹ 10,816.16 lacs))	980.71	759.20
(ii) Provision for Fringe Benefit Tax (net of advance tax ₹ 39.05 lacs (As at 31st March, 2014 ₹ 39.05 lacs))	0.40	0.40
(iii) Provision for Wealth Tax (net)	0.34	1.14
(iv) Provision for Proposed Equity dividend	417.39	417.39
(v) Provision for tax on Proposed dividend	84.97	70.94
	1,483.81	1,249.07
Total	1,800.39	1,557.05

Notes forming part of Financial Statements for the year ended 31st March, 2015

Note 13a Fixed assets

(₹ in lacs)

	Tangible assets	Gross block						
		Balance as at 1st April, 2014	Additions	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31st March, 2015
(a) Land								
Freehold		21.08	-	-	-	-	-	21.08
(Previous year)		(21.08)	-	-	-	-	-	(21.08)
Leasehold *		0.08	-	-	-	-	-	0.08
(Previous year)		(0.08)	-	-	-	-	-	(0.08)
		21.16	-	-	-	-	-	21.16
(Previous year)		(21.16)	-	-	-	-	-	(21.16)
(b) Buildings								
Own use		4,333.59	423.30	16.67	-	-	-	4,740.22
(Previous year)		(4,037.72)	(295.87)	-	-	-	-	(4,333.59)
Given under operating lease		63.60	-	-	-	-	-	63.60
(Previous year)		(63.60)	-	-	-	-	-	(63.60)
		4,397.19	423.30	16.67	-	-	-	4,803.82
(Previous year)		(4,101.32)	(295.87)	-	-	-	-	(4,397.19)
(c) Plant and Equipment								
Owned		42,483.58	1,889.51	1,001.64	-	-	-	43,371.45
(Previous year)		(35,300.21)	(7,637.88)	(457.04)	-	-	(2.53)	(42,483.58)
		42,483.58	1,889.51	1,001.64	-	-	-	43,371.45
(Previous year)		(35,300.21)	(7,637.88)	(457.04)	-	-	(2.53)	(42,483.58)
(d) Furniture and Fixtures								
Owned		417.08	130.49	22.46	-	-	-	525.11
(Previous year)		(276.23)	(147.91)	(5.14)	-	-	(1.92)	(417.08)
		417.08	130.49	22.46	-	-	-	525.11
(Previous year)		(276.23)	(147.91)	(5.14)	-	-	(1.92)	(417.08)
(e) Vehicles								
Owned		358.12	94.85	24.78	-	-	-	428.19
(Previous year)		(260.76)	(108.38)	(11.02)	-	-	-	(358.12)
		358.12	94.85	24.78	-	-	-	428.19
(Previous year)		(260.76)	(108.38)	(11.02)	-	-	-	(358.12)
(f) Office equipment								
Owned		842.16	36.78	186.63	-	-	-	692.31
(Previous year)		(813.85)	(40.00)	(11.08)	-	-	(0.61)	(842.16)
		842.16	36.78	186.63	-	-	-	692.31
(Previous year)		(813.85)	(40.00)	(11.08)	-	-	(0.61)	(842.16)

Notes forming part of Financial Statements for the year ended 31st March, 2015

(₹ in lacs)

	Tangible assets	Gross block						Balance as at 31st March, 2015
		Balance as at 1st April, 2014	Additions	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	
(g) Leasehold improvements								
Owned		256.82	-	-	-	-	-	256.82
(Previous year)		(256.82)	-	-	-	-	-	(256.82)
		256.82	-	-	-	-	-	256.82
(Previous year)		(256.82)	-	-	-	-	-	(256.82)
(h) Railway sidings								
Owned		2.70	-	-	-	-	-	2.70
(Previous year)		(2.70)	-	-	-	-	-	(2.70)
		2.70	-	-	-	-	-	2.70
(Previous year)		(2.70)	-	-	-	-	-	(2.70)
Total		48,778.81	2,574.93	1,252.18	-	-	-	50,101.56
(Previous year)		(41,033.05)	(8,230.04)	(484.28)	-	-	-	(48,778.81)

Note 13a Fixed assets (contd)

(₹ in lacs)

	Tangible assets	Accumulated depreciation and impairment				Net block		
		Balance as at 1st April, 2014	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31st March, 2015	Balance as at 31st March, 2015	Balance as at 31st March, 2014
(a) Land								
Freehold		-	-	-	-	-	21.08	21.08
(Previous year)		-	-	-	-	-	(21.08)	
Leasehold *		-	-	-	-	-	0.08	0.08
(Previous year)		-	-	-	-	-	(0.08)	
		-	-	-	-	-	21.16	21.16
(Previous year)		-	-	-	-	-	(21.16)	-
(b) Buildings								
Own use		2,016.04	94.41	11.94	108.38	2,206.89	2,533.33	2,317.55
(Previous year)		(1,893.44)	(122.60)	-	-	(2,016.04)	(2,317.55)	
Given under operating lease *		15.31	1.00	-	-	16.31	47.29	48.29
(Previous year)		(14.27)	(1.04)	-	-	(15.31)	(48.29)	
		2,031.35	95.41	11.94	108.38	2,223.20	2,580.62	2,365.84
(Previous year)		(1,907.71)	(123.64)	-	-	(2,031.35)	(2,365.84)	-

Notes forming part of Financial Statements for the year ended 31st March, 2015

(₹ in lacs)

	Tangible assets	Accumulated depreciation and impairment					Net block	
		Balance as at 1st April, 2014	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31st March, 2015	Balance as at 31st March, 2015	Balance as at 31st March 2014
(c)	Plant and Equipment							
	Owned	30,025.48	1,340.83	958.30	26.76	30,434.77	12,936.68	12,458.10
	(Previous year)	(28,879.50)	(1,596.85)	(453.14)	(2.27)	(30,025.48)	(12,458.10)	
		30,025.48	1,340.83	958.30	26.76	30,434.77	12,936.68	12,458.10
	(Previous year)	(28,879.50)	(1,596.85)	(453.14)	(2.27)	(30,025.48)	(12,458.10)	-
(d)	Furniture and Fixtures							
	Owned	224.79	31.66	21.96	1.05	235.54	289.57	192.29
	(Previous year)	(222.08)	(7.84)	(4.75)	(0.38)	(224.79)	(192.29)	
		224.79	31.66	21.96	1.05	235.54	289.57	192.29
	(Previous year)	(222.08)	(7.84)	(4.75)	(0.38)	(224.79)	(192.29)	-
(e)	Vehicles							
	Owned	104.32	50.48	21.07	0.26	133.99	294.20	253.80
	(Previous year)	(85.82)	(26.74)	(8.24)	-	(104.32)	(253.80)	
		104.32	50.48	21.07	0.26	133.99	294.20	253.80
	(Previous year)	(85.82)	(26.74)	(8.24)	-	(104.32)	(253.80)	-
(f)	Office equipment							
	Owned	639.18	85.54	186.47	32.43	570.68	121.63	202.98
	(Previous year)	(607.02)	(44.68)	(10.63)	(1.89)	(639.18)	(202.98)	
		639.18	85.54	186.47	32.43	570.68	121.63	202.98
	(Previous year)	(607.02)	(44.68)	(10.63)	(1.89)	(639.18)	(202.98)	-
(g)	Leasehold improvements							
	Owned	47.30	30.26	-	-	77.56	179.26	209.52
	(Previous year)	(18.76)	(28.54)	-	-	(47.30)	(209.52)	
		47.30	30.26	-	-	77.56	179.26	209.52
	(Previous year)	(18.76)	(28.54)	-	-	(47.30)	(209.52)	-
(h)	Railway sidings							
	Owned	2.57	-	-	-	2.57	0.13	0.13
	(Previous year)	(2.57)	-	-	-	(2.57)	(0.13)	
		2.57	-	-	-	2.57	0.13	0.13
	(Previous year)	(2.57)	-	-	-	(2.57)	(0.13)	-
	Total	33,074.99	1,634.18	1,199.74	168.88	33,678.31	16,423.25	15,703.82
	(Previous year)	(31,723.46)	(1,828.29)	(476.76)	-	(33,074.99)	(15,703.82)	

Note:

Building include ₹ 12.86 lacs (Previous year ₹ 12.86 lacs) being the cost of ownership premises in a co-operative society, including cost of shares received for the face value of ₹ 2500/-, under the bye-laws of the society.

Notes forming part of Financial Statements for the year ended 31st March, 2015

Note 13b Fixed assets

(₹ in lacs)

	Intangible assets	Gross block						
		Balance as at 1st April, 2014	Additions	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31st March, 2015
(a) Computer software		-	-	-	-	-	-	-
Owned		118.34	10.62	-	-	-	4.03	132.99
(Previous year)		(12.80)	(105.54)	-	-	-	-	(118.34)
Total		118.34	10.62	-	-	-	4.03	132.99
(Previous year)		(12.80)	(105.54)	-	-	-	-	(118.34)

(₹ in lacs)

	Intangible assets	Accumulated depreciation and impairment				Net block		
		Balance as at 1st April, 2014	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31st March, 2015	Balance as at 31st March, 2015	Balance as at 31st March, 2014
(a) Computer software		-	-	-	-	-	-	-
Owned		8.02	33.08	-	4.17	45.27	87.72	110.32
(Previous year)		(4.72)	(3.30)	-	-	(8.02)	(110.32)	-
Total		8.02	33.08	-	4.17	45.27	87.72	110.32
(Previous year)		(4.72)	(3.30)	-	-	(8.02)	(110.32)	-

Note 14 Non-current investments

(₹ in lacs)

Particulars		As at 31 March, 2015				As at 31 March, 2014			
		No. of shares	Quoted	Unquoted	Total	No. of shares	Quoted	Unquoted	Total
Long Term Investments (At cost)									
I Trade									
(a) Investment in equity instruments (Fully paid)									
Associates									
Equity shares of ₹ 100/- each of Mafatlal Engineering Industries Ltd ###		146,364		(1.00)	(1.00)	146,364		(1.00)	(1.00)
(i) Associates									
Joint Ventures									
Equity shares of AED 1000/- each of Al Fahim Mafatlal Textile LLC		147		22.73	22.73	147		22.73	22.73
(ii) Joint Ventures									
Other entities									
Equity shares of ₹ 10/- each of Matcon Export Enterprises Ltd.		13,350		(1.00)	(1.00)	13,350		(1.00)	(1.00)
Equity shares of ₹ 1/- each of Integra Engineering India Ltd		20	(1.00)		(1.00)	20	(286.00)		(286.00)

Notes forming part of Financial Statements for the year ended 31st March, 2015

(₹ in lacs)

Particulars	As at 31 March, 2015				As at 31 March, 2014			
	No. of shares	Quoted	Unquoted	Total	No. of shares	Quoted	Unquoted	Total
(iii) Other entities			-	-			-	-
Total Trade Investments - (I)			22.73	22.73			22.73	22.73
II Other Investments								
a Investment Properties (Refer Note 1 below)								
Immoveable Property (net of accumulated depreciation)			49.74	49.74			57.99	57.99
b Investment in equity instruments (Fully paid)								
Subsidiaries								
Equity shares of ₹ 100/- each of Mafatlal Services Ltd.	272,800		272.80	272.80	272,800		272.80	272.80
Equity shares of ₹ 10/- each of Ibiza Industries Limited ***	2,616,670		(1.00)	(1.00)	2,616,670		(1.00)	(1.00)
Equity shares of ₹ 10/- each of Sunanda Industries Ltd. *	3,976,002		(1.00)	(1.00)	3,976,002		(1.00)	(1.00)
(i) Subsidiaries			272.80	272.80			272.80	272.80
Associates								
Equity shares of ₹ 10/- each of Mafatlal Ltd, UK.##	23,700		(1.00)	(1.00)	23,700		(1.00)	(1.00)
Equity shares of ₹ 10/- each of Mafatlal Global Apparel Limited (Refer Note no. 2)	-		-	-	1,240,000		124.00	124.00
(ii) Associates			-	-			124.00	124.00
Other entities								
Equity shares of ₹ 10/- each of Anil Products Limited	2,320		(1.00)	(1.00)	2,320		(1.00)	(1.00)
Equity shares of ₹ 10/- each of Anil Biochem Limited	116		(1.00)	(1.00)	116		(1.00)	(1.00)
Equity shares of ₹ 10/- each of Arlabs Ltd	100		(1.00)	(1.00)	100		(1.00)	(1.00)
Equity shares of ₹ 10/- each of Cama Hotels Ltd.	45,000		5.95	5.95	45,000		5.95	5.95
Equity shares of ₹ 10/- each of Cellulose Products of India Ltd.	15,000		(1.00)	(1.00)	15,000		(1.00)	(1.00)
Equity shares of ₹ 25/- each of Universal Dyestuff Industries Ltd.	10		(1.00)	(1.00)	10		(430.00)	(430.00)
Equity shares of ₹ 100/- each of SLM - Maneklal Industries Ltd	5,870		(1.00)	(1.00)	5,870		(1.00)	(1.00)
Equity shares of ₹ 2/- each of Housing Development Finance Corporation Ltd.	-	-	-	-	92,100	3.69		3.69
Equity shares of ₹ 10/- each of Stanrose Mafatlal Investments and Finance Ltd.	79,920	24.98		24.98	79,920	24.98		24.98
Equity shares of ₹ 10/- each of Mangal Credit & Fincorp Ltd. (Formerly known as TAK Machinery and Leasing Ltd.)	13,950	1.50		1.50	13,950	1.50		1.50
Equity shares of ₹ 2/- each of Ultramarine and Pigments Ltd.	9,600	0.02		0.02	9,600	0.02		0.02
Equity shares of ₹ 10/- each of NOCIL Limited \$\$	23,036,469	3,853.72		3,853.72	23,036,469	3,853.72		3,853.72
Equity shares of ₹ 10/- each of Hybrid Financial Services Limited **\$	1,600	(1.00)		(1.00)	1,600	(1.00)		(1.00)
Equity shares of ₹ 10/- each of Navin Fluorine International Limited	189,964	673.23		673.23	189,964	673.23		673.23
Equity shares of ₹ 10/- each of Bank of India. \$	100	0.36		0.36	100	0.36		0.36
Equity shares of ₹ 10/- each of Mafatlal Medical Devices Limited \$	30,000		(1.00)	(1.00)	30,000		(1.00)	(1.00)
Equity shares of ₹ 100/- each of Suremi Trading Private Limited. \$	2		(1.00)	(1.00)	2		(1.00)	(1.00)
Equity shares of ₹ 100/- each of Mafatlal Impex Private Limited. \$	2		(1.00)	(1.00)	2		(1.00)	(1.00)
Equity shares of ₹ 100/- each of Navdeep Investment Private Limited \$ **	6,250		(1.00)	(1.00)	6,250		(1.00)	(1.00)
Equity shares of ₹ 10/- each of Arvi Associates Private Limited \$	10,000		(1.00)	(1.00)	10,000		(1.00)	(1.00)

Notes forming part of Financial Statements for the year ended 31st March, 2015

(₹ in lacs)

Particulars	As at 31 March, 2015				As at 31 March, 2014			
	No. of shares	Quoted	Unquoted	Total	No. of shares	Quoted	Unquoted	Total
Equity shares of ₹ 100/- each of Janata Sahakari Bank Limited	25,050		25.05	25.05	-		-	-
Equity shares of ₹ 25/- each of Shamrao Vithal Co-Operative Bank Limited.	100		0.03	0.03	-		-	-
Equity shares of ₹ 10/- each of Mafatlal Global Apparel Limited (Refer Note no. 2)	1,240,000		124.00	124.00	-		-	-
(iii) Other entities	4,553.81	155.03	4,708.84		4,557.50	5.95	4,563.45	
c Investments in Government securities (Fully paid)								
In Government securities (Face value of ₹ 2.89 lacs) have been lodged with various authorities			2.89	2.89			2.89	2.89
Investments in Government securities			2.89	2.89			2.89	2.89
d Investment in debentures or bonds (Fully paid)								
(i) Associates								
10% Secured Redeemable Convertible Debentures of Mafatlal Engineering Industries Ltd. ##	165,000.00		(1.00)	(1.00)	165,000.00		(1.00)	(1.00)
(ii) Other entities								
Corporate Bonds of Housing Development Finance Corporation Ltd.:11 % - Series IV #	2,050.00		20.50	20.50	2,050.00		20.50	20.50
Investment in debentures or bonds			20.50	20.50			20.50	20.50
e Investment in Mutual funds (Fully paid)								
Master Shares of Unit Trust of India of ₹ 10/- each.	-		-	-	432,000.00		36.30	36.30
Units of ₹ 10/- each of JM Financial Mutual Fund - J.M. Equity Fund - Growth Plan \$	-		-	-	100,000.00		10.00	10.00
Investment in Mutual funds			-	-			46.30	46.30
f Other Non-current Investments (Fully paid)								
Shares of ₹ 50/- each of Sea- Face Park Co-op Hsg Society Ltd.	5.00		(250.00)	(250.00)	5.00		(250.00)	(250.00)
Total Other Investments - (I)	-	4,553.81	500.96	5,054.77	-	4,557.50	530.43	5,087.93
Total Investments - (I + II)		4,553.81	523.69	5,077.50		4,557.50	553.16	5,110.66
Provision for diminution in value of investments - Opening Balance			245.30	245.30			245.30	245.30
Add: Provision for diminution made during the Current year			43.23	43.23			-	-
Provision for diminution in value of investments - Closing Balance			288.53	288.53			245.30	245.30
Grand Total Investments	-	4,553.81	235.16	4,788.97	-	4,557.50	307.86	4,865.37
Aggregate amount of quoted investments			4,553.81				4,557.50	
Aggregate market value of listed and quoted investments			10,389.86				5146.22	
Aggregate value of listed but not quoted investments			-				-	
Aggregate amount of unquoted investments			235.16				307.86	

Figures in () are in Full Rupees

* Subject to non disposal undertakings given to financial institutions. The company is currently under liquidation, 33,40,002 Equity shares were not available for physical verification.

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

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

66,362 Equity shares not available for physical verification; currently under liquidation.

\$ Equity shares acquired Pursuant to the Scheme of Amalgamation are not held in the name of the Company.

** Not available for physical verification

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

\$\$ 85,36,667 Equity Shares pledged with bank in the current year.

Notes forming part of Financial Statements for the year ended 31st March, 2015

Note: 1

(₹ in lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Investment Properties		
Gross Block		
Balance as per last Balance Sheet *	76.98	80.19
Add: Addition during the year	-	-
Less: Deduction during the year	4.37	3.21
	72.61	76.98
Less : Accumulated Depreciation	22.87	18.99
Net Block	49.74	57.99

* includes asset held for sale ₹ NIL (Previous year ₹ 3.21 lacs).

Note: 2

Pursuant to further shares issued by Mafatlal Global Apparel Ltd, the Company's stake in Mafatlal Global Apparel Ltd has reduced below 20%. Hence the same has been disclosed from investment in Associate to Investment in Other Entities during the current year.

15 LONG-TERM LOANS AND ADVANCES

(₹ in lacs)

	As at 31st March, 2015	As at 31st March, 2014
(a) Capital advances		
Unsecured, considered good	1,502.34	53.15
(b) Security deposits		
Unsecured, considered good	751.19	737.14
Doubtful	-	83.20
Less: Provision for doubtful deposits	-	(83.20)
	751.19	737.14
(c) Loans and advances to related parties (Refer Note no. 31.5)		
Unsecured, considered good	621.95	1,091.72
Doubtful	-	141.80
Less: Provision for doubtful loans and advances	-	(141.80)
	621.95	1,091.72
(d) Loans and advances to employees		
Unsecured, considered good	17.09	12.05
Doubtful	-	1.64
Less: Provision for doubtful loans and advances	-	(1.64)
	17.09	12.05
(e) Prepaid expenses - Unsecured, considered good	1.82	-
(f) Advance income tax (net of provisions ₹ 1,550.85 lacs) (As at 31st March, 2014 ₹ 150.76 lacs) - Unsecured, considered good	1,523.77	1,521.79

Notes forming part of Financial Statements for the year ended 31st March, 2015

(₹ in lacs)

	As at 31st March, 2015	As at 31st March, 2014
(g) MAT credit entitlement	871.00	356.00
(h) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	133.16	14.99
(ii) VAT credit receivable	25.70	11.49
(iii) Service Tax credit receivable	244.10	37.25
(iv) Deposit with Excise authorities in Escrow account	232.25	359.26
Doubtful	31.45	22.54
Less: Provision for doubtful loans and advances	(31.45)	(22.54)
	635.21	422.99
(i) Other loans and advances		
Unsecured, considered good		
(i) Deposits recoverable from parties	38.36	30.64
(ii) Lease rent/utilities equalisation on income	40.09	28.91
Doubtful	-	9.75
Less: Provision for other doubtful loans and advances	-	(9.75)
	78.45	59.55
Total	6,002.82	4,254.39
Note: Long-term loans and advances include amounts due from:		
Director	56.20	62.40
Private companies in which atleast one of the directors is a director or member	565.75	785.32
Mafatlal Impex Private Limited	267.25	310.92
Suremi Trading Private Limited	122.77	226.90
Sukarma Investments Private Limited	175.73	247.50

16 OTHER NON CURRENT ASSETS

₹ in lacs

	As at 31st March, 2015	As at 31st March, 2014
(a) Accruals		
(i) Interest accrued on deposits	3.91	3.91
(ii) Interest accrued on investments	-	6.88
(iii) Interest accrued on loans to staff	17.17	15.16
(b) Others		
(i) Balances with Banks in Earmarked accounts (Refer Note no. 30.4)	621.53	578.00
Total	642.61	603.95
Other Non-current assets include amounts due from:		
Director	17.17	15.16

Notes forming part of Financial Statements for the year ended 31st March, 2015

17 INVENTORIES (At lower of cost and net realizable value)

₹ in lacs

	As at 31st March, 2015	As at 31st March, 2014
(a) Raw materials	1,147.22	1,541.10
(b) Work in progress	6,729.27	5,402.63
(c) Finished goods (Other than those acquired for trading)	2,279.07	2,667.50
(d) Stock in trade (Acquired for trading) includes material in transit ₹ 53.47 lacs (Previous year ₹ 106.26 lacs)	1,308.36	1,932.60
(e) Stores and spares	709.20	825.02
(f) Others (Land)	61.97	0.58
Total	12,235.09	12,369.43
Note: Details of Inventories of Work in Progress:		
Particulars		
Cotton & Fibre	314.84	303.99
Yarn	2,037.12	2,372.24
Fabrics	4,196.39	2,411.98
Others	180.92	314.42
	6,729.27	5,402.63

18 TRADE RECEIVABLES

₹ in lacs

	As at 31st March, 2015	As at 31st March, 2014
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	1,715.83	1,068.77
Doubtful	87.16	93.81
	1,802.99	1,162.58
Less: Provision for doubtful trade receivables	(87.16)	(93.81)
	1,715.83	1,068.77
Other Trade receivables		
Unsecured, considered good	18,212.14	12,786.13
Total	19,927.97	13,854.90
Includes debts dues from:-		
Private companies in which atleast one of the directors is a director or member	50.65	71.37
Krishnadeep Housing development Private Limited	13.50	12.63
Cebon Apparel Private Limited	15.93	19.42
Tropical Clothing Company Private Limited	21.22	39.32

Notes forming part of Financial Statements for the year ended 31st March, 2015

19 CASH AND CASH EQUIVALENTS

₹ in lacs

	As at 31st March, 2015	As at 31st March, 2014
A Cash and Cash equivalents (As per AS-3 Cash Flow Statements)		
(a) Cash on hand	18.77	20.07
(b) Cheques on hand	47.86	30.77
(c) Balances with Banks:		
(i) In Current accounts	978.84	601.91
(ii) In Other deposit accounts - Original maturity of 3 months or less	-	4.09
Total - Cash and cash equivalents (As per AS-3 Cash Flow Statements) (A)	1,045.47	656.84
B Other bank balances		
(i) In Other deposit accounts - original maturity more than 3 months (Refer note ii(a))	884.10	1,388.83
(ii) In earmarked accounts		
(a) Balances held as margin money or security against borrowings, guarantees and other commitments (Refer note ii (b))	1,379.78	705.95
(b) Unclaimed dividend accounts	14.72	8.90
(iii) Others		
-Balance in Fixed Deposits (earmarked for Overdraft Facility) (Refer note ii(c))	7,398.45	7,419.85
-Balance in Escrow Current account (Refer Note (i) below)	1.87	1.87
Total - Other bank balances (B)	9,678.92	9,525.40
Total Cash and Cash Equivalents (A+B)	10,724.39	10,182.24

Notes:

- (i) Balance in Escrow Current account and Escrow Fixed Deposit account is operated under the supervision of Monitoring Committee constituted by the Government of Maharashtra, under Development Control Regulations, 1991.
- (ii) (a) Bank deposits with more than 12 months maturity from Balance Sheet date is ₹ 7.00 lacs in Current year (Previous year ₹ 2.52 lacs)
- (ii) (b) Includes balances with more than 12 months maturity from Balance Sheet date is ₹ 396.21 lacs in Current year (Previous year ₹ 47.01 lacs)
- (ii) (c) Includes balances with more than 12 months maturity from Balance Sheet date is ₹ NIL in Current year (Previous year ₹ 21.40 lacs)

Notes forming part of Financial Statements for the year ended 31st March, 2015

20 SHORT TERM LOANS AND ADVANCES

₹ in lacs

	As at 31st March, 2015	As at 31st March, 2014
(a) Loans and advances to related parties (Refer Note no. 31.5)		
Unsecured considered good	6.20	6.20
(b) Security deposits		
Unsecured considered good	280.28	243.50
(c) Loans and advances to employees		
Unsecured considered good	24.30	101.65
(d) Prepaid expenses - Unsecured, considered good	72.58	60.75
(e) Balances with government authorities		
Unsecured considered good		
(i) Custom duty refund receivable	-	61.55
(ii) Export and Modvat Benefit receivable	692.17	504.95
(iii) Interest subsidy receivable (TUFS)	142.41	116.36
	834.58	682.86
(f) Others		
Unsecured considered good		
Trade advances, considered good	324.56	591.25
Doubtful	-	13.95
Less: Provision for other doubtful loans and advances	-	(13.95)
	324.56	591.25
Total	1,542.50	1,686.21
Note:		
Short-term loans and advances include amounts due from:		
Director	6.20	6.20
Other officer of the Company	-	70.00

21 OTHER CURRENT ASSETS

₹ in lacs

	As at 31st March, 2015	As at 31st March, 2014
Accruals		
(i) Interest accrued on deposits with banks	403.79	416.56
(ii) Interest accrued on deposits with others	12.43	11.39
(iii) Interest accrued on loans to staff	0.33	3.49
Total	416.55	431.44
Note:		
Other Current assets include amounts due from:		
Officer of the Company	-	3.49

Notes forming part of Financial Statements for the year ended 31st March, 2015

22 REVENUE FROM OPERATIONS

	₹ in lacs	
	Current year	Previous year
(a) Sale of products (Refer note (I) below)	98,711.94	89,725.95
(b) Other operating revenues (Refer note (II) below)	2,639.60	2,046.68
Revenue from operations (Gross)	101,351.54	91,772.63
Note:		
I Sale of products comprises:		
a Manufactured goods		
Cloth	23,019.33	23,796.85
Yarn	12.33	62.94
Denim Fabrics	27,652.05	29,832.12
Garments	86.18	66.23
Total - Sale of Manufactured goods	50,769.89	53,758.14
b Traded goods		
Cloth	47,942.05	35,967.81
Total - Sale of Traded goods	47,942.05	35,967.81
Total - Sale of Products (a + b)	98,711.94	89,725.95
II Other operating revenues		
Income from waste/scrap sale	394.01	391.34
Processing Charges	118.63	30.10
Duty drawback and other export incentive	814.99	498.62
Rental income from investment property	407.54	276.13
Utility/ Business Service /Air-conditioning charges and other receipts	904.43	850.49
Total	2,639.60	2,046.68

23 OTHER INCOME

	₹ in lacs	
	Current year	Previous year
Interest income (Refer note 1, below)	1,020.12	1,053.66
Dividend income from long term investments	191.23	193.29
Net gain on sale of long term Investments (including ₹ NIL (Previous year ₹ 0.05 lac on sale of subsidiary companies)	1,077.41	1.10
Net gain on foreign currency transaction and translation	78.30	119.56
Other non-operating income (Refer note 2, below)	750.40	408.88
Total	3,117.46	1,776.49
Notes:		
1 Interest income comprises:		
Interest from banks on deposits	905.75	896.53
Other interest	114.37	157.13
Total	1,020.12	1,053.66
2 Other non-operating income:		
Miscellaneous income	132.96	140.46
Profit on sale of Fixed assets	560.18	9.67
Liabilities/ Provisions no longer required written back	57.26	258.75
Total	750.40	408.88

Notes forming part of Financial Statements for the year ended 31st March, 2015

24 (a) COST OF MATERIALS CONSUMED (Refer Note no. 30.9)

₹ in lacs

Particulars	Current year	Previous year
Opening stock	1,541.10	2,524.36
Add: Purchases	21,967.60	25,506.62
Less: Closing stock	1,147.22	1,541.10
Cost of material consumed	22,361.48	26,489.88
Material consumed comprises:		
Cotton & Fibre	13,638.56	15,942.51
Yarn	6,244.49	7,692.54
Fabrics	1,760.11	2,235.43
Others	718.32	619.40
Total	22,361.48	26,489.88

24 (b) PURCHASE OF TRADED GOODS

₹ in lacs

Particulars	Current year	Previous year
Cloth	42,717.40	33,611.11
Total	42,717.40	33,611.11

24 (c) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in lacs

Particulars	Current year	Previous year
Inventories at the end of the year		
Finished goods	2,279.07	2,667.50
Work-in-progress	6,729.27	5,402.63
Stock-in-trade (Traded goods)	1,308.36	1,932.60
	10,316.70	10,002.73
Inventories at the beginning of the year		
Finished goods	2,667.50	2,075.13
Work-in-progress	5,402.63	4,665.78
Stock-in-trade (Trading goods)	1,932.60	593.65
	10,002.73	7,334.56
Net increase	313.97	2,668.17

25 EMPLOYEE BENEFITS EXPENSE

₹ in lacs

	Current year	Previous year
Salaries and wages	8,175.36	7,335.23
Contributions to provident and other funds (Refer Note 31.4)	663.20	638.20
Gratuity expenses	535.58	(213.48)
Staff welfare expenses	363.14	345.75
Total	9,737.28	8,105.70

Notes forming part of Financial Statements for the year ended 31st March, 2015

26 FINANCE COSTS

	₹ in lacs	
	Current year	Previous year
(a) Interest expense on:		
(i) Borrowings (Refer Note no. 1)	1,275.67	1,271.05
(ii) Trade payables	140.01	95.30
(iii) Others (includes for delayed payment of income tax and water charges, Bills discounting and employee dues-PF/ ESIC interest etc.)	96.57	116.13
(b) Other Borrowing costs	171.80	6.97
Total	1,684.05	1,489.45

Note no. 1

The interest subsidy for the year on the Term Loans availed under the Technology Upgradation Fund Scheme (TUFS) ₹ 194.80 lacs (Previous year ₹ 243.13 lacs) and the same has been netted off from interest expense.

Note no. 2

Finance costs are net of ₹128.88 lacs capitalised (Previous year, ₹ NIL) - Refer note 30.13 (b)

27 DEPRECIATION AND AMORTISATION EXPENSE

	₹ in lacs	
	Current year	Previous year
(Refer note 13a, 13b and 14)		
Depreciation on tangible assets	1,634.18	1,828.29
Amortisation on intangible assets	33.08	3.30
Depreciation on investment property	3.88	3.01
Total	1,671.14	1,834.60

28 OTHER EXPENSES

	₹ in lacs	
	Current year	Previous year
Consumption of stores and spare parts (Refer Note no.30.9)	8,306.60	8,581.45
Processing Charges	2,051.25	1,822.74
Power and Fuel	7,902.28	6,864.67
Repairs and maintenance - Buildings	142.47	166.37
Repairs and maintenance - Machinery	294.99	319.25
Repairs and maintenance - Others	32.75	38.11
Insurance	78.43	87.50
Lease Rent (Refer Note no. 31.1)	349.76	346.42
Rates and Taxes (including wealth tax ₹ 3.00 lacs (Previous year ₹ 0.93 lacs))	198.27	181.32
Commission, Brokerage and Discount	1,569.02	1,574.27
Transport and Freight Charges (net)	574.71	441.93

Notes forming part of Financial Statements for the year ended 31st March, 2015

₹ in lacs

	Current year	Previous year
Expenditure on Corporate Social Responsibility	6.20	-
Donations and Contributions	0.76	36.74
Debit balance of creditors written off	-	31.64
Bad loans and advances and trade receivables written off (net)	14.54	7.87
Long term Investments written off	0.01	-
Provision for doubtful trade receivables and loans & advances	19.44	14.47
Provision for diminution in the value of long term Investments - Includes ₹ 22,73 lacs of Joint Venture	43.23	-
Loss on fixed assets sold / scrapped / written off	33.42	5.74
Legal and Professional fees	523.70	433.68
Payments to Auditors (Refer note (I) below)	64.97	53.71
Directors' fees	8.10	8.99
Commission to Non-Wholetime Directors	-	15.31
Miscellaneous Expenses (includes Travelling, Printing & Stationery etc.)	2,733.74	2,367.97
Total	24,948.64	23,400.15
Note:		
(I) Payments to auditors (excluding service tax)		
Statutory Auditors		
Audit fees	18.00	16.00
For taxation matters	28.74	20.15
For other services	12.65	12.00
Reimbursement of expenses	0.16	0.37
TOTAL	59.55	48.52
Branch Auditors		
Audit fees	2.50	2.50
For taxation matters	0.90	0.90
For other services	1.25	1.15
Reimbursement of expenses	0.77	0.64
TOTAL	5.42	5.19

29 EXCEPTIONAL ITEMS

₹ in lacs

	Current year	Previous year
Profit on sale of fixed assets	-	5.62
Profit on sale of Long Term Investment Properties (net)	898.63	731.15
Total	898.63	736.77

Notes forming part of Financial Statements for the year ended 31st March, 2015

Note 30 Additional information to the financial statements

		(₹ in Lacs)	
Note	Particulars	As at 31st March, 2015	As at 31st March, 2014
30.1	Contingent liabilities and commitments (to the extent not provided for)		
(a)	The Company is contingently liable for :		
i	Bills of exchange discounted	877.93	574.25
ii	Demands of income-tax authorities disputed in appeals (mainly relate to disallowance of conversion of land to stock in trade, write off of balances of loans & advances, business expenditure, Chapter VIA deductions, etc. (pending before the Commission of Income-tax (Appeals)/ Income-tax Appellate Tribunal))	2,979.25	730.85
iii	Demands under excise and other proceedings disputed in appeals (mainly relating to matters like differential duty on revision of assessable value of yarn captively consumed, duty on T.C. hard waste, duty on drill etc. (pending at various stages, from Assistant Commissioner to CESTAT))	2,624.24	2,614.89
iv	Disputed demand notice issued by the Commissioner of Central Excise relating to Excise and Service Tax matters (includes penalty). ₹ 221.32 lacs paid under protest during the year.	2,960.55	2,960.55
v	Claims against the Company not acknowledged as debts (mainly relating to dispute on fixed water charges at Navsari Unit, disputed service tax, interest on sales tax)	113.38	113.38
vi	Concessional customs duty on import of machinery under EPCG Scheme payable subject to fulfillment of mandatory import/ export obligation. The Company has submitted a bond to the authorities of ₹ 1,000.00 lakhs. (including Penalty)	1,216.00	1,198.21
vii	Claims made by workers against the Company (mainly relating to matters like termination, compensation etc.)	1,408.66	1,172.08
viii	Demands from Director General of Foreign Trade against Advance License	4.79	4.79
ix	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 lacs (Previous year ₹ 2,696.98 lacs) for the period from 01.04.2008 to 31.03.2010 has been raised by Brihanmumbai Mahanagarpalika towards Property Taxes in respect of the properties owned by various owners for the respective floors. No demand is raised in respect of common areas / properties in the name of the Company. The demand has been challenged by owners of various floors at appropriate forum and the matter is subjudice. In case the demand is finally upheld the amount will be paid by the concerned co-owners and the Company will have no additional liability

In case of Mafatlal Chambers:

A demand for ₹ 378.51 lacs (Previous year ₹ 378.51 lacs) for earlier years has been raised by Brihanmumbai Mahanagarpalika towards Property Taxes in respect of the properties owned by the Company for the respective floor.

In the above matters (i) to (ix), the Company is hopeful of succeeding and as such does not expect any significant liability to crystallize.

Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.

Notes forming part of Financial Statements for the year ended 31st March, 2015

₹ in lacs

	As at 31st March, 2015	As at 31st March, 2014
(b) Letter of comfort given on behalf of Ibiza Industries Limited (under liquidation since 2007) not considered as Guarantee on legal advice.	850.28	850.28

₹ in Lacs

	As at 31st March, 2015	As at 31st March, 2014
30.2 Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for:-		
Tangible assets	907.93	128.09

30.3 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

(₹ in Lacs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	49.15	63.35
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. The Company has not received intimation from most of the suppliers regarding the status under the Micro, Small and Medium Enterprises Development Act, 2006.

30.4 As legally advised, the Company has not recognized as income recovery of rent and other charges of ₹83.61 lacs upto 31st March, 2015 (₹83.61 lacs upto previous year), pending final resolution of the legal dispute with certain ex-tenants of the property in South Mumbai. A sum of ₹577.89 lacs (Net) was withdrawn by the Company in accordance with the Orders passed by the Hon'able High Court of Bombay on the Civil Revision Applications filed by the ex-tenants and the said amount of ₹577.89 lacs has been included in other current liabilities (Refer Note no. 11 and Note no. 16).

30.5 a) Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

(₹ in lacs)

Name of the party	Relationship	Amount outstanding as at 31st March, 2015	Maximum balance outstanding during the year
Mafatlal Global Apparels Limited (Inter Corporate Deposit)	Associate upto 23.03.2015	- (244.00)	263.52 (278.12)

Note: Figures in () relate to the previous year.

Notes forming part of Financial Statements for the year ended 31st March, 2015

b Details of Loan given and Investment made covered u/s 186(4) of the Companies Act, 2013

(i) Loans given in Current Year

		₹ in lacs
Name of Party	Purpose	Amount
Silvia Apparel Limited	Loan	9.25

(ii) Investments made in the Current Year

		₹ in lacs
Name of Party		Amount
Janata Sahkari Bank Limited, Pune		25.05
The Shamrao Vithal Co-operative Bank Ltd.		0.03

30.6 Details on derivatives instruments and unhedged foreign currency exposures

- I. The following forward contracts positions are open as at 31st March, 2015. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets. The accounting of these transactions is stated in Note (h) of Significant Accounting Policies.

Forward exchange contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

Outstanding forward exchange contracts entered into by the Company as on 31st March, 2015

Currency	Amount	Buy / Sell	Cross currency
EURO	66,000	Buy	₹
	(NIL)		
JPY	9,136,280	Buy	₹
	(NIL)		

Note: Figures in () relates to the previous year

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

As at 31st March, 2015		As at 31st March, 2014	
Receivable/ Payable	Receivable/ Payable in Foreign currency	Receivable/ Payable	Receivable/ Payable in Foreign currency
₹ in lacs	(Amount in Foreign currency) (in lacs)	₹ in lacs	(Amount in Foreign currency) (in lacs)
Receivable			
1926.42	USD 30.83	721.34	USD 11.68
88.13	EURO 1.24	128.28	EURO 1.53
533.28	JPY 1000.00	NIL	NIL
66.04	AED (DHIRAMS) 3.88	NIL	NIL
-	-	6.33	CHF 0.09
Payable			
186.61	USD 2.99	187.70	USD 3.08
0.71	EURO 0.01	4.37	EURO 0.05

Notes forming part of Financial Statements for the year ended 31st March, 2015

30.7 Value of imports calculated on CIF basis :

	(₹ in lacs)	
	Current Year	Previous Year
Raw Materials	297.71	329.83
Stores and Spare parts	1,548.62	1,751.92
Capital Goods	1,657.15	29.66
Total	3,503.48	2,111.41

30.8 Expenditure in foreign currency (accrual basis) :

	(₹ in lacs)	
	Current Year	Previous Year
Travelling	38.87	44.84
Commission	90.76	98.78
Professional and Consultation Fees	57.97	56.11
Other matters	32.00	57.07
Total	219.60	256.80

30.9 Details of consumption of imported and indigenous items :

	Current Year (Previous year)	
Imported	₹ in lacs	%
Raw Materials	396.49	1.77%
	(409.16)	(1.54%)
Stores and Spare parts	1,686.83	20.31%
	(2,028.52)	(23.64%)
Total	2,083.32	
	(2,437.68)	
Indigenous	₹ in lacs	%
Raw materials	21,964.99	98.23%
	(26,080.72)	(98.46%)
Stores & Spare parts	6,619.77	79.69%
	(6,552.93)	(76.36%)
Total	28,584.76	
	(32,633.65)	

Note: Figures / percentages in () relates to the previous year

30.10 Earnings in foreign exchange:

	(₹ in lacs)	
	Current Year	Previous Year
Direct Export of goods calculated on FOB basis	12,538.24	10,382.10

Notes forming part of Financial Statements for the year ended 31st March, 2015

30.11 Details of research and development expenditure recognised as expense

(₹ in lacs)		
Particulars	Current Year	Previous Year
Employee benefits expense	55.29	53.77
Consumables	6.95	4.58
Repairs and Maintenance	12.79	-
Depreciation and amortisation expense	65.76	24.69
Total	140.79	83.04
Capital Expenditure	332.91	319.71

30.12 The remuneration of Shri V. P. Mafatlal, Vice-Chairman and Shri Rajiv Dayal, Managing Director & Chief Executive Officer (Professional Director) was approved by the members by way of a special resolution passed at the Annual General Meeting ('AGM') held on 31st July, 2013. Due to inadequate profits during the year 2013-14, the total managerial remuneration of ₹ 232.07 lacs (Shri V. P. Mafatlal – ₹ 114.79 lacs and Shri Rajiv Dayal – ₹ 117.28 lacs) paid to the above executive directors is in excess of the limits specified under Section 198, 349 & 350 of the Companies Act, 1956 by ₹ 78.61 lacs. The said excess payment has already been approved by the members by way of special resolution at Annual General Meeting held on 5th August, 2014 and as required by law, necessary application has been made to the Central Government in this regard.

(₹ in lacs)		
	Current Year	Previous Year
30.13 (a) Project Development expenses capitalised during the year:		
Stores and Spares	-	421.43
Power and Fuel	-	258.37
Salaries and Wages	-	129.81
Total Cost	-	809.61
Less : Trial Run recovery	-	(467.08)
Total	-	342.54
(b) Finance and other borrowing costs capitalised in CWIP	128.88	-

30.14 In an earlier year, the Company had sold part of its leasehold land at its Mazgaon unit. The Company is required to surrender the remaining leasehold land (reserved portion admeasuring about 27,287.82 square meters) to Municipal Corporation of Greater Mumbai for the purpose of extension of V.J.B. Udyan. The Company is also required to recommence the spinning unit which can accommodate 10,000 spindles. By virtue of the agreement, the developer will construct a structure and hand it over to the Company.

30.15 Pursuant to the demerger of the Real Estate and Investment Business to Sulakshana Securities Limited (SSL) in 2002, the shareholders of the Company are to be issued one equity share of ₹ 10/- each, fully paid-up, in SSL for every 500 shares of ₹ 100/- each, fully paid-up, held in the Company as consideration for the demerger, aggregating to ₹ 1.00 lac. 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 lac from NFIL on behalf of the shareholders, which is pending disbursement upon completion of formalities.

30.16 During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has aligned the useful life of its assets with those specified in Schedule II except in case of plant and machinery in whose case the life of the assets has been assessed based on technical advice. Further, assets individually costing ₹ 5,000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets. The details of previously applied depreciation method, rates / useful life are as follows:

Notes forming part of Financial Statements for the year ended 31st March, 2015

Asset	Previous depreciation method	Previous depreciation rate / useful life	Revised useful life based on SLM
Factory Buildings	SLM	3.34% - 29 years	30 years
Non Factory Buildings	SLM	1.63% - 61 years	30-60 years
Computers and Data Processing Equipment	SLM	16.21% - 6 years	3 years
Plant and Machinery (triple shift basis)	SLM	10.34% - 9 years	9.5 years
Furniture and Fixtures	SLM	6.33% - 15 years	10 years
Office Equipment	SLM	4.75% - 21 years	5 years
Vehicles	SLM	9.5% - 10 years	8 years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹111.57 lacs (net of deferred tax of ₹57.45 lacs) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is lower by ₹ 633.85 Lacs consequent to the change in the useful life of the assets.

Note 31 Disclosures under Accounting Standards

(₹ in Lacs)

Note	Particulars	Current Year	Previous Year
31.1	Details of leasing arrangements		
	<u>As Lessor:</u>		
	The Company has entered into non cancellable operating lease arrangements for certain premises. The tenure of such agreements ranges from eleven to sixty months.		
	Future minimum lease payments		
	not later than one year	446.80	226.87
	later than one year and not later than five years	1,444.74	807.97
	Total	1,891.54	1,034.84
	Depreciation recognised on the leased assets	1.00	1.04
	Accumulated Depreciation on the leased assets	16.30	15.30
	<u>As Lessee:</u>		
	The Company has entered into operating lease arrangements for certain facilities and residence premises. The leases are non-cancellable and are for a period upto 9 years and may be renewed for a further period upto 3 years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments upto 15% every 3 years. There are no sub-leases.		
	Future minimum lease payments		
	not later than one year	298.29	285.43
	later than one year and not later than five years	1,422.43	1,203.16
	later than five years	86.17	581.67
	Total	1,806.89	2,070.26
	Lease payments recognised in the Statement of Profit and Loss	321.64	307.22

Notes forming part of Financial Statements for the year ended 31st March, 2015

		(₹ in Lacs)	
Note	Particulars	Current Year	Previous Year
31.2	Earnings per share		
	Net Profit for the year attributable to the equity shareholders	2,437.49	2,393.38
	Weighted average number of equity shares outstanding during the year (refer note below)	13,912,886	13,912,886
	Par value per share	10.00	10.00
	Earnings per share - Basic and Diluted	17.52	17.20
	Note : Weighted average number of equity shares outstanding during the year :		
	Equity shares at the beginning of the year	13,912,886	9,813,471
	Add : Shares issued/ to be issued pursuant to scheme of amalgamation (refer note no.3 (e) (i))	-	4,099,415
	Weighted average number of shares outstanding during the year	13,912,886	13,912,886

31.3 Segment Information

As per the Accounting standard (AS) 17 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.

31.4 Employee benefit plans

a) Defined contribution plans

Contributions are made to Recognized Provident Fund / Government Provident Fund and Family Pension Fund which covers all regular employees. Contribution is also made in respect of executives to a Recognized Superannuation Fund. While both the employees and the Company make predetermined contributions to the Provident Fund, contribution to the Family Pension Fund and Superannuation Fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. The Company recognised during the year ₹ 420.80 lacs (Previous year ₹ 417.38 lacs) as Provident Fund Contribution, ₹166.43 lacs (Previous year ₹ 141.49 lacs) as Super Annuation Contribution & ₹ 75.97 lacs (Previous year ₹ 60.59 lacs) as Pension Fund Contribution.

b) Defined benefit plans

Contributions are made to a Recognized Gratuity Fund in respect of gratuity based upon actuarial valuation done at the year end of every financial year using "Projected Unit Credit" method and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

The charge on account of provision for gratuity has been included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

		(₹ in Lacs)	
Particulars		Current Year	Previous Year
Components of employer expense			
Current service cost		120.96	145.59
Interest cost		252.08	231.22
Expected return on plan assets		(182.20)	(171.59)
Actuarial losses/(gains)		344.74	(418.70)
Total expense recognised in the Statement of Profit and Loss		535.58	(213.48)

Notes forming part of Financial Statements for the year ended 31st March, 2015

(₹ in Lacs)		
Particulars	Current Year	Previous Year
Actual contribution and benefit payments for year		
Actual benefit payments	431.69	95.14
Actual contributions	953.16	18.86
Net Liability recognised in the Balance Sheet		
Present value of defined benefit obligation	(3,022.85)	(2,694.45)
Fair value of plan assets	2,848.91	2,094.25
Unrecognised past service costs	-	-
Net Liability recognised in the Balance Sheet	(173.94)	(600.20)
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	(2,694.45)	(2,812.60)
Current service cost	(120.96)	(145.59)
Interest cost	(252.08)	(231.22)
Actuarial (gains) / losses	(387.04)	399.82
Benefits paid	431.69	95.14
Present value of DBO at the end of the year	(3,022.85)	(2,694.45)
Change in fair value of assets during the year		
Plan assets at beginning of the year	2,094.25	1,980.06
Expected return on plan assets	182.20	171.59
Actual company contributions	953.16	18.86
Actuarial gain	42.30	18.88
Benefits paid	(423.01)	(95.14)
Plan assets at the end of the year	2,848.91	2,094.25
Actual return on plan assets	224.50	190.47
Composition of the plan assets is as follows:		
Government bonds	43.58%	42.73%
PSU bonds	31.72%	34.77%
Others	0.47%	0.62%
Insurer Managed Funds	11.07%	17.53%
Deposits with Nationalised Banks	13.16%	4.35%
Various Debt Instruments	-	-
Actuarial assumptions		
Discount rate	7.90% - 8.08%	9.31% - 9.36%
Expected return on plan assets	8.70%	8.70%
Salary escalation	4.00%	4.00%
Attrition	2.00%	2.00%
Mortality tables	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Estimate of amount of contribution in the immediate next year	384.05	350.52

Notes forming part of Financial Statements for the year ended 31st March, 2015

Experience adjustments

(₹ in lacs)					
Gratuity	Current Year ended 31st March, 2015	Previous Year 31st March, 2014	Previous Year 31st March, 2013	(9 months ended 31st March, 2012)	(13 months ended 30th June, 2011)
Experience gain / (loss) adjustments on plan liabilities	117.09	153.09	281.08	274.99	131.94
Experience gain / (loss) adjustments on plan assets	42.30	18.88	49.76	111.58	0.42

Long term Compensated absences

	Current Year	Previous Year
Actuarial assumptions		
Discount rate	7.90% - 8.08%	9.31% - 9.36%
Salary escalation	4.00%	4.00%
Attrition	2.00%	2.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

All the employees are eligible for compensated absences of 30 days in each financial year which can be encashed during the tenure of employment. Employees cannot carry forward any compensated absences in excess of 300 days. The provision for these absences, made on the basis of Actuarial Valuation on "Projected Unit Credit" method is ₹ 657.30 lacs (Previous year ₹ 647.16 lacs). Net charge for the year ₹ 261.09 lacs (Previous year ₹ 166.78 lacs).

Note 31.5

Related Parties transactions

Details of Related Parties

A Subsidiary Companies

Mafatlal Services Limited

B Jointly Controlled Entity

AL Fahim Mafatlal Textiles LLC- A Joint Venture with Al Fahim Linez LLC- (UAE) (Refer Note No. 31.6)

C Associates

Mafatlal Global Apparel Ltd, (upto 23.03.2015)

D Key Management Personnel

Rajiv Dayal

V. P. Mafatlal

Notes forming part of Financial Statements for the year ended 31st March, 2015

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

NOCIL Limited
 Navin Flourine International Limited
 Sulakshana Securities Limited
 Krishnadeep Housing Development Private Limited
 Mafatlal Impex Private Limited
 Mafatlal Fabrics Private Limited
 Aureole Clothing Private Limited

F Individual having significant influence

H.A. Mafatlal (since 29.05.2013)

G Relatives of Individual having significant influence

Priyavrata H. Mafatlal (since 29.05.2013)

H Enterprises over which Individual having significant influence and relatives of such individual are able to exercise significant influence.

Sukarma Investments Private Limited
 Suremi Trading Private Limited
 Silvia Apparel Limited
 Mafatlal Global Apparel Limited (since 24.03.2015)
 Altamount Product and Services Private Limited

Details of transactions with related parties during the year:

(₹ in lacs)										
Nature of Transactions	Subsidiaries	Jointly Controlled Entity	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individual are able to exercise significant influence.	Total
Other Operation Revenues										110.74
										119.54
Sulakshana Securities Limited	-	-	-	-	-	10.35	-	-	-	10.35
	-	-	-	-	-	15.44	-	-	-	15.44
NOCIL Limited	-	-	-	-	-	15.73	-	-	-	15.73
	-	-	-	-	-	13.81	-	-	-	13.81
Krishnadeep Housing Development Private Limited	-	-	-	-	-	7.65	-	-	-	7.65
	-	-	-	-	-	11.97	-	-	-	11.97
Navin Flourine International Limited	-	-	-	-	-	77.01	-	-	-	77.01
	-	-	-	-	-	78.32	-	-	-	78.32

Notes forming part of Financial Statements for the year ended 31st March, 2015

(₹ in lacs)										
Nature of Transactions	Subsidiaries	Jointly Controlled Entity	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individual are able to exercise significant influence.	Total
Rent from Property (Income)										3.15
										0.66
Krishnadeep Housing Development Private Limited	-	-	-	-	-	0.66	-	-	-	0.66
	-	-	-	-	-	0.66	-	-	-	0.66
Mafatlal Fabrics Pvt Ltd	-	-	-	-	-	2.49	-	-	-	2.49
	-	-	-	-	-	-	-	-	-	-
Interest Income										43.46
										40.89
Mafatlal Global Apparel Ltd	-	-	-	-	-	-	-	-	19.52	19.52
	-	-	-	-	-	-	-	-	-	-
Mafatlal Impex Private Ltd.	-	-	-	-	-	11.33	-	-	-	11.33
	-	-	-	-	-	15.30	-	-	-	15.30
Sukarma Investments Private Limited	-	-	-	-	-	-	-	-	10.24	10.24
	-	-	-	-	-	-	-	-	14.72	14.72
Suremi Trading Private Limited	-	-	-	-	-	-	-	-	2.37	2.37
	-	-	-	-	-	-	-	-	10.87	10.87
Dividend Income										168.61
										166.72
NOCIL Ltd	-	-	-	-	-	138.22	-	-	-	138.22
	-	-	-	-	-	138.22	-	-	-	138.22
Navin Fluorine International Limited	-	-	-	-	-	30.39	-	-	-	30.39
	-	-	-	-	-	28.50	-	-	-	28.50
Receiving of Services (Expense)										26.69
										20.95
Mafatlal Services Limited	26.69	-	-	-	-	-	-	-	-	26.69
	20.95	-	-	-	-	-	-	-	-	20.95
Reimbursement of Expenses										-
										0.45
Navin Fluorine International Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	0.45	-	-	-	0.45
Purchase of Goods & Services										44.18
										19.57
Mafatlal Global Apparel Limited	-	-	-	-	-	-	-	-	43.91	43.91
	-	-	19.29	-	-	-	-	-	-	19.29
Navin Fluorine International Limited	-	-	-	-	-	0.27	-	-	-	0.27
	-	-	-	-	-	0.28	-	-	-	0.28
Sale of Goods & Services										72.52
										161.17
Mafatlal Impex Pvt Ltd.	-	-	-	-	-	0.06	-	-	-	0.06
	-	-	-	-	-	0.25	-	-	-	0.25

Notes forming part of Financial Statements for the year ended 31st March, 2015

(₹ in lacs)

Nature of Transactions	Subsidiaries	Jointly Controlled Entity	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individual are able to exercise significant influence.	Total
AL Fahim Mafatlal Textiles LLC	-	72.39	-	-	-	-	-	-	-	72.39
	-	0.99	-	-	-	-	-	-	-	0.99
Suremi Trading Private Limited	-	-	-	-	-	-	-	-	0.07	0.07
	-	-	-	-	-	-	-	-	-	-
Mafatlal Global Apparel Limited	-	-	-	-	-	-	-	-	-	-
	-	-	159.93	-	-	-	-	-	-	159.93
Remuneration										284.58
										250.47
Priyavrata H. Mafatlal	-	-	-	-	-	-	-	22.97	-	22.97
	-	-	-	-	2.92	-	-	15.47	-	18.39
Vishad P. Mafatlal	-	-	-	125.81	-	-	-	-	-	125.81
	-	-	-	114.79	-	-	-	-	-	114.79
Rajiv Dayal	-	-	-	135.80	-	-	-	-	-	135.80
	-	-	-	117.29	-	-	-	-	-	117.29
Sitting Fees										0.90
										0.80
H.A. Mafatlal	-	-	-	-	-	-	0.90	-	-	0.90
	-	-	-	-	-	-	0.70	-	-	0.70
Vishad Mafatlal	-	-	-	-	-	-	-	-	-	-
	-	-	-	0.10	-	-	-	-	-	0.10
Commission to Non-whole time director										-
										1.87
H.A. Mafatlal	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	1.87	-	-	1.87
Sale of assets/ Sale of Uniforms										5.77
										5.51
Navin Fluorine International Limited	-	-	-	-	-	5.77	-	-	-	5.77
	-	-	-	-	-	5.51	-	-	-	5.51
Provision on investment during the year										22.73
AL Fahim Mafatlal Textiles LLC	-	22.73	-	-	-	-	-	-	-	22.73
	-	-	-	-	-	-	-	-	-	-
Provision for doubtful loans & advances during the year										9.25
										10.50
Silvia Apparel Limited	-	-	-	-	-	-	-	-	9.25	9.25
	-	-	-	-	-	-	-	-	10.50	10.50
Credit notes accounted (Sales)										163.48
Mafatlal Global Apparel Limited	-	-	-	-	-	-	-	-	-	-
	-	-	163.48	-	-	-	-	-	-	163.48

Notes forming part of Financial Statements for the year ended 31st March, 2015

(₹ in lacs)

Nature of Transactions	Subsidiaries	Jointly Controlled Entity	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individual are able to exercise significant influence.	Total
Sale of Investments to										-
										1.10
Aureole Clothing Private Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	1.10	-	-	-	1.10
Equity shares issued to										-
										384.93
Navin Fluorine International Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	177.46	-	-	-	177.46
Sukarma Investments Private Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	83.92	83.92
Suremi Trading Private Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	17.09	17.09
Altamount Product and Services Private Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	106.46	106.46
Redemption of Preference Shares										-
										3,000.00
Navin Fluorine International Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	3,000.00	-	-	-	3,000.00
Loans Given										9.25
										35.50
Mafatlal Global Apparel Limited	-	-	-	-	-	-	-	-	-	-
	-	-	25.00	-	-	-	-	-	-	25.00
Silvia Apparel Limited	-	-	-	-	-	-	-	-	9.25	9.25
	-	-	-	-	-	-	-	-	10.50	10.50
Advance Given										-
										10.28
Sulakshana Securities Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	10.28	-	-	-	10.28
Advance Refunded										-
										0.10
Sulakshana Securities Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	0.10	-	-	-	0.10
Advance write off / adjusted against provision of doubtful Loans and advances including interest accrued										151.05
										193.12
Silvia Apparel Limited	-	-	-	-	-	-	-	-	151.05	151.05
Repos Trading Company Limited	-	-	-	-	-	-	-	-	-	-
	-	-	1.42	-	-	-	-	-	-	1.42
Mafatlal V K Intex Limited	-	-	-	-	-	-	-	-	-	-
	-	-	1.50	-	-	-	-	-	-	1.50

Notes forming part of Financial Statements for the year ended 31st March, 2015

(₹ in lacs)

Nature of Transactions	Subsidiaries	Jointly Controlled Entity	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individual are able to exercise significant influence.	Total
Repal Apparel Private Limited	-	-	-	-	-	-	-	-	-	-
	7.55	-	-	-	-	-	-	-	-	7.55
Aureole Clothing Private Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	37.70	-	-	-	37.70
Sunanda Industries Limited	-	-	-	-	-	-	-	-	-	-
	144.95	-	-	-	-	-	-	-	-	144.95
Repayment of Loan by Companies										487.50
										18.92
Mafatlal Global Apparel Limited	-	-	-	-	-	-	-	-	244.00	244.00
	-	-	-	-	-	-	-	-	-	-
Sukarma Investments Private Limited	-	-	-	-	-	-	-	-	82.00	82.00
	-	-	-	-	-	-	-	-	-	-
Suremi Trading Private Limited	-	-	-	-	-	-	-	-	106.50	106.50
	-	-	-	-	-	-	-	-	-	-
Mafatlal Impex Pvt Ltd.	-	-	-	-	-	55.00	-	-	-	55.00
	-	-	-	-	-	-	-	-	-	-
Mafatlal Fabrics Private Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	18.92	-	-	-	18.92
Advance Taken										-
										155.06
Navin Fluorine International Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	155.06	-	-	-	155.06
Interest w/off										-
										7.87
Mafatlal Global Apparel Limited	-	-	-	-	-	-	-	-	-	-
	-	-	7.87	-	-	-	-	-	-	7.87
Advance Repaid										-
										166.73
Navin Fluorine International Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	166.73	-	-	-	166.73
Provision on Investment as at 31st March 2015										268.03
										245.30
Mafatlal Service Limited	245.30	-	-	-	-	-	-	-	-	245.30
	245.30	-	-	-	-	-	-	-	-	245.30
AL Fahim Mafatlal Textiles LLC	-	22.73	-	-	-	-	-	-	-	22.73
	-	-	-	-	-	-	-	-	-	-
Provision for doubtful loans & advances - as at March 31, 2015										-
										141.80
Silvia Apparel Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	141.80	141.80

Notes forming part of Financial Statements for the year ended 31st March, 2015

(₹ in lacs)

Nature of Transactions	Subsidiaries	Jointly Controlled Entity	Associates	Key Management Personnel	Relatives of Key Management Personnel	Enterprises over which key management personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individual are able to exercise significant influence.	Total
Amount due from - as at March 31, 2015										1,020.58
										<i>1,557.24</i>
NOCIL Limited	-	-	-	-	-	0.73	-	-	-	0.73
	-	-	-	-	-	<i>1.09</i>	-	-	-	<i>1.09</i>
Mafatlat Impex Private Limited (Advances)	-	-	-	-	-	267.25	-	-	-	267.25
	-	-	-	-	-	<i>310.92</i>	-	-	-	<i>310.92</i>
Mafatlat Global Apparel Limited (Loans)	-	-	-	-	-	-	-	-	-	-
	-	-	<i>244.00</i>	-	-	-	-	-	-	<i>244.00</i>
Mafatlat Global Apparel Limited (Trade Receivable)	-	-	-	-	-	-	-	-	288.64	288.64
	-	-	<i>288.64</i>	-	-	-	-	-	-	<i>288.64</i>
Rajiv Dayal (Loan)	-	-	-	79.57	-	-	-	-	-	79.57
	-	-	-	<i>83.76</i>	-	-	-	-	-	<i>83.76</i>
Krishnadeep Housing Development Private Limited	-	-	-	-	-	13.50	-	-	-	13.50
	-	-	-	-	-	<i>12.63</i>	-	-	-	<i>12.63</i>
Sukarna Investments Private Limited	-	-	-	-	-	-	-	-	175.74	175.74
	-	-	-	-	-	-	-	-	<i>247.50</i>	<i>247.50</i>
AL Fahim Mafatlat Textiles LLC	-	72.39	-	-	-	-	-	-	-	72.39
	-	-	-	-	-	-	-	-	-	-
Silvia Apparel Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	<i>141.80</i>	<i>141.80</i>
Suremi Trading Private Limited	-	-	-	-	-	-	-	-	122.76	122.76
	-	-	-	-	-	-	-	-	<i>226.90</i>	<i>226.90</i>
Amount due to - as at March 31, 2015										9.44
										<i>4.56</i>
Mafatlat Services Limited	9.37	-	-	-	-	-	-	-	-	9.37
	<i>4.56</i>	-	-	-	-	-	-	-	-	<i>4.56</i>
Navin Fluorine International Limited	-	-	-	-	-	0.07	-	-	-	0.07
	-	-	-	-	-	-	-	-	-	-

Figures in italics represents previous year figures.

Notes forming part of Financial Statements for the year ended 31st March, 2015

31.6 Details of the Company's interest in Joint Venture

Interest in joint ventures

The Company has interests in the following joint ventures - Jointly controlled entities (JCE):

₹

Name of joint venture and country of incorporation	% of interest / Ownership	Amount of interest based on accounts for the year ended 31st March, 2015 (Amount in Lacs)					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
Al Fahim Mafatlal Textile LLC , UAE	49	15.93	54.26	66.72	106.11	NIL	NIL
	(49)	(66.19)	(65.09)	(206.73)	(225.64)	(NIL)	(NIL)

Note: Figures in brackets relate to the previous year.

Note 32

32.1 The Company has not made any remittances in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances in foreign currencies on account of dividends have been made by or on behalf of non-resident shareholders. The particulars of dividends paid to non-resident shareholders are as follows:

	Year ended 31 March, 2015	Year ended 31 March, 2014
Year to which Dividend relates	2013-14	2012-13
Number of non-resident shareholders	173	150
Number of shares held by them on which dividend is due	55,380	57,942
Amount remitted to bank accounts in India of non-resident shareholders - ₹ in lacs	1.66	2.90

32.2 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

H. A. Mafatlal
Chairman

V. P. Mafatlal
Vice Chairman

A. A. Karanji
Company Secretary

R. Y. Dayal
Managing Director &
Chief Executive Officer

M. D. Pandya
Chief Financial Officer

P. R. Amin
N. K. Parikh
P. N. Kapadia
L. P. Pradhan
G. G. Chakravarti
S. A. Shah

Directors

Mumbai, 30th May, 2015

Independent Auditor's Report

To the Members of Mafatlal Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Mafatlal Industries Limited** (hereinafter referred to as "the Holding Company"), its subsidiary and its joint venture (the Holding Company, its subsidiary and joint venture constitute "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit

report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

Attention is invited to Note no. 30.5, regarding non accounting of income from rent and other charges aggregating to ₹ 83.61 lacs upto 31st March, 2015 (₹ 83.61 lacs upto 31st March, 2014) for the reasons stated therein which constitutes a departure from the Accounting Standard (AS)-1 'Disclosure of Accounting Policies' and Accounting Standard (AS)-9 'Revenue Recognition' specified under Section 133 of the Act; if the same is considered, rental income from investment property would be higher by aggregate amount of ₹ 83.61 lacs (aggregate upto 31st March 2014, ₹ 83.61 lacs), income tax, net profit and shareholder's funds would have been increased by ₹ 17.53 lacs, ₹ 66.08 lacs and by ₹ 66.08 lacs, respectively (previous year ended 31st March

2014: increased by ₹ 17.53 lacs, ₹ 66.08 lacs, and by ₹ 66.08 lacs respectively). This matter was also qualified in our report on the consolidated financial statements for the year ended 31st March, 2014.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and jointly controlled entity as at 31st March 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note no. 30.8 to the financial statements regarding managerial remuneration for the year 2013-14 for which the Central Government's approval is awaited.

Our opinion is not qualified in respect of this matter.

Other Matters

- (a) We did not audit the financial statement of one subsidiary whose financial statement reflect total assets of ₹ 53.93 lacs as at 31st March, 2015 and total revenues of ₹ 23.55 lacs and net cash inflows/ (outflows) amounting to ₹(0.09) lacs for the year ended on that date, as considered in the consolidated financial statements. This financial statement has been audited by other auditors whose report has been furnished to us by the management, and our opinion on the consolidated financial statement in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditors.
- (b) We did not audit the financial statement of a jointly controlled entity, whose financial statement reflect total assets of ₹ 15.98 lacs as at 31st March, 2015, total revenues of ₹ 66.72 lacs and net cash inflows amounting to ₹ 7.45 lacs for the year ended on that date, as considered in the consolidated financial statements. This financial statement is unaudited and has been furnished to us by the management, and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures

included in respect of this jointly controlled entity, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited financial statement. In our opinion and according to the information and explanations given to us by the management, this financial statement is not material to the Group.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report to 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 purpose of our audit of the consolidated financial statement;
 - b. *Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, in our opinion, proper books of account as required by law relating to the 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 and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statement;
 - d. *Except for the effects of the matter described*

in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2015, and taken on record by the Board of Directors of the Holding Company and the report of the Statutory Auditors of its subsidiary company, none of the directors of the Holding Company and its subsidiary company is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
- f. 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 Consolidated Financial Statement disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 30.1 to the financial statements;
- ii. The Group did not have any material foreseeable losses on the long-term contracts including derivative contracts;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration Number 117364W)

Mumbai
Date: 30th May, 2015

R. Salivati
(Partner)
Membership Number 34004

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date of MAFATLAL INDUSTRIES LIMITED for the year ended March 31, 2015)

Our reporting on the Order includes one subsidiary company to which the Order is applicable, which has been audited by other auditors and our report in respect of this entity is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

Having regard to the nature of the Company's business / activities / result, clauses (i), (ii), (iii), (vi), (ix), (x) and (xi) of the Order are not applicable to the subsidiary company for the year.

- (i) In respect of the fixed assets of the Holding Company:
 - (a) The Holding Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the Management of the Holding Company in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company:
 - (a) As explained to us, the inventories were physically verified during the year by the Management of the Holding Company at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management of the Holding Company were reasonable and adequate in relation to the size of the Holding Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Holding Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Holding Company has granted loans, secured or unsecured, to companies, firms or other parties

covered in the Register maintained by the Holding Company under Section 189 of the Companies Act, 2013. In respect of such loans:

- a. The receipts of principal amounts and interest have been as per stipulations.
 - b. There is no overdue amount in excess of ₹ 1 lakh remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system in the Holding Company and subsidiary company commensurate with the size of the respective entities and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our and other auditors audit, no major weakness in such internal control system has been observed.
 - (v) According to the information and explanations given to us and the other auditors, neither the Holding Company nor the subsidiary company have accepted any deposit from the public during the year in terms of the provisions of Sections 73 and 76 or any other relevant provisions of the Act.
 - (vi) We have broadly reviewed the cost records maintained by the Holding Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Holding Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
 - (vii) According to the information and explanations given to us, in respect of statutory dues of the Holding Company and subsidiary company:
 - (a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value

Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.

- (b) There were no undisputed amounts payable, where applicable, in respect of Income-tax, Wealth Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable. As at the year end, the arrears of Statutory Dues outstanding for a

period of more than six months aggregate to ₹ 51.92 lacs in respect of interest on Provident Fund, ₹ 49.07 lacs in respect of interest on Employees State Insurance dues, ₹ 3.34 lacs in respect of Excise Duty and ₹ 769.02 lacs in respect of interest on water charges.

- (c) Details of dues of Income-Tax, Sales Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum Where Dispute is Pending	Period to which the amount relates	Amount (₹ in lacs)
Central Excise Act, 1944	Excise Duty	Assistant Commissioner	1989-90 to 2003-04	251.80
Central Excise Act, 1944	Excise Duty	Assistant Commissioner	2006-07 to 2010-11	1.42
Central Excise Act, 1944	Excise Duty	Commissioner	1989-90 to 2003-04	2,195.08
Central Excise Act, 1944	Excise Duty	Commissioner (Appeals)	1989-90 to 2003-04	54.92
Central Excise Act, 1944	Excise Duty	CESTAT	1989-90 to 2003-04	25.60
Central Excise Act, 1944	Excise Duty	High Court	1989-90 to 2003-04	72.66
Central Excise Act, 1944	Excise Duty	Supreme Court	1989-90 to 2003-04	13.42
Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise	2007-08 to 2009-10	2,675.21
Customs Act, 1962	Custom Duty	Joint Director General of Foreign Trade	1989-90 to 1999-00	4.79
Bombay Industrial Relations Act, 1946	Labour Dues	Labour Court	1993 to 2008	1,408.66
Maharashtra Value Added Tax	Sales Tax (including Interest of ₹ 70.55 lakhs)	Joint Commissioner of Sales Tax (Appeals) - II	1999-2000	90.94
Central Sales Tax Act, 1956	Sales Tax (including Interest of ₹ 15.35 lakhs)	Joint Commissioner of Sales Tax (Appeals) - II	1999-2000	21.74
Mumbai Municipal Corporation Act, 1988	Property Tax (Refer Note no. 30.1(a)(ix))	Assessor and Collector (City), Assessment and Collection Department	2008-2010	3,075.49
The Income-tax Act, 1961	Income Tax	Dy. Commissioner of Income Tax	Assessment Year 2012-13	9.48

Name of the Statute	Nature of the Dues	Forum Where Dispute is Pending	Period to which the amount relates	Amount (₹ in lacs)
The Income-tax Act, 1961	Income Tax	Commissioner of Income Tax	Assessment Years 1997-98, 1998-99, 2002-03, 2003-04, 2009-10, 2011-12, 2012-13	2,360.46
The Income-tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	Assessment Years 1986-87, 1987-88, 2003-04, 2004-05, 2006-07, 2007-08	532.43
Service Tax Rules	Service Tax	CESTAT (Ahmedabad)	1997-99	0.70

- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) The Group does not have consolidated accumulated losses at the end of the financial year and the Group has not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees (being Letter of Comfort) given by the Holding Company for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interests of the Company. (Refer note no. 30.1(b) on guarantee given for a subsidiary).
- (x) In our opinion and according to the information and explanations given to us, the Holding Company has not defaulted in the repayment of dues to financial institutions and banks. The Holding Company has not issued any debentures.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Holding Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company and its subsidiary company and no material fraud on the Holding Company its subsidiary company and has been noticed or reported during the year.
- For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration Number 117364W)
- R. Salivati
(Partner)
- Mumbai
Date: 30th May, 2015
- Membership Number 34004

Consolidated Balance Sheet as at 31st March, 2015

(₹ in lacs)

	Note No.	As at 31st March, 2015	As at 31st March, 2014
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	1,391.22	1,391.22
(b) Reserves and surplus	4	34,992.77	33,222.78
		36,383.99	34,614.00
2 Minority Interest		-	-
3 Non-current liabilities			
(a) Long-term borrowings	5	6,281.54	3,847.79
(b) Deferred tax liabilities (net)	6	305.67	255.00
(c) Other Long term liabilities	7	276.93	262.28
(d) Long-term provisions	8	526.83	951.15
		7,390.97	5,316.22
4 Current liabilities			
(a) Short-term borrowings	9	7,212.25	6,725.52
(b) Trade payables	10	19,161.12	12,812.87
(c) Other current liabilities	11	4,297.00	4,464.28
(d) Short-term provisions	12	1,800.39	1,557.05
		32,470.76	25,559.72
Total		76,245.72	65,489.94
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13(a)	16,426.08	15,706.99
(ii) Intangible assets	13(b)	87.72	110.32
(iii) Capital work-in-progress		3,580.38	1,459.51
		20,094.18	17,276.82
(b) Non-current investments	14	4,637.47	4,718.63
(c) Long-term loans and advances	15	6,006.20	4,257.54
(d) Other non-current assets	16	642.61	603.95
		31,380.46	26,856.94
2 Current assets			
(a) Inventories	17	12,235.09	12,369.85
(b) Trade receivables	18	19,926.96	13,939.62
(c) Cash and cash equivalents	19	10,736.38	10,199.20
(d) Short-term loans and advances	20	1,550.28	1,692.89
(e) Other current assets	21	416.55	431.44
		44,865.26	38,633.00
Total		76,245.72	65,489.94
Significant accounting policies	2		
See accompanying notes forming part of the financial statements			

In terms of our report attached.

For DELOITTE HASKINS & SELLS For and on behalf of the Board of Directors

Chartered Accountants

Registration No. 117364W

H. A. Mafatlal
ChairmanV. P. Mafatlal
Vice ChairmanA. A. Karanji
Company SecretaryR. Y. Dayal
Managing Director &
Chief Executive OfficerM. D. Pandya
Chief Financial OfficerP. R. Amin
N. K. Parikh
P. N. Kapadia
L. P. Pradhan
G. G. Chakravarti
S. A. Shah

Directors

(R. SALIVATI)
Partner
Membership No. 34004

Mumbai, 30th May, 2015

Mumbai, 30th May, 2015

Consolidated Statement of Profit and Loss for the year ended 31st March, 2015

(₹ in lacs)

Particulars	Note No.	Current year	Previous year
1 Revenue from operations	22	101,345.63	91,978.79
2 Other income	23	3,114.56	1,781.89
3 Total revenue (1 + 2)		104,460.19	93,760.68
4 Expenses			
(a) Cost of materials consumed	24(a)	22,361.48	26,489.88
(b) Purchases of stock-in-trade (Trading Activity)	24(b)	42,720.30	33,778.95
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24(c)	(313.55)	(2,668.59)
(d) Employee benefits expense (Net)	25	9,783.29	8,155.26
(e) Finance costs (Net)	26	1,684.15	1,489.45
(f) Depreciation and amortization expense	27	1,672.83	1,835.72
(g) Other expenses	28	24,942.28	23,410.68
Total expenses		102,850.78	92,491.35
5 Profit before exceptional items and tax (3 - 4)		1,609.41	1,269.33
6 Exceptional items	29	898.63	736.77
		898.63	736.77
7 Profit before tax (5+6)		2,508.04	2,006.10
8 Tax (expense) / benefit :			
(a) Current tax expense		(531.00)	(356.00)
(b) Less: MAT credit		515.00	356.00
(c) Excess/ (Short) provision for tax relating to prior years		-	200.21
(d) Net Current tax (expense) / benefit (a+b+c)		(16.00)	200.21
(e) Deferred tax (charge)/ credit		(108.12)	170.00
Net tax (expense)/ benefit (d+e)		(124.12)	370.21
9 Profit after tax before Share of Profit in Associate and Minority Interest for the year (7+8)		2,383.92	2,376.31
Share of (Losses) in Associate		-	(124.00)
Profit for the year		2,383.92	2,252.31
10 Earnings per share (on face value of ₹ 10/- each) - (Refer Note no. 31.2)			
(a) Basic		17.13	16.19
(b) Diluted		17.13	16.19
Significant accounting policies	2		
See accompanying notes forming part of the financial statements			

In terms of our report attached.

For DELOITTE HASKINS & SELLS Chartered Accountants
Registration No. 117364W

H. A. Mafatlal
Chairman

V. P. Mafatlal
Vice Chairman

A. A. Karanji
Company Secretary

R. Y. Dayal
Managing Director &
Chief Executive Officer

M. D. Pandya
Chief Financial Officer

P. R. Amin
N. K. Parikh
P. N. Kapadia
L. P. Pradhan
G. G. Chakravarti
S. A. Shah

Directors

(R. SALIVATI)
Partner
Membership No. 34004

Mumbai, 30th May, 2015

Mumbai, 30th May, 2015

Consolidated Cash Flow Statement for the year ended 31st March, 2015

₹ In lacs

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
A. Cash flow from operating activities		
Net Profit after exceptional items and before tax as per the Statement of Profit and Loss	2,508.04	2,006.10
Adjustments for,		
Depreciation and amortization expense	1,672.83	1,835.72
Profit on sale of Non Current Investments - Investment Properties - Exceptional Items	(898.63)	(731.15)
Profit on sale / disposal of fixed assets (Including- Exceptional Item Rs.NIL (Previous Year Rs.5.62 lacs)	(560.18)	(15.29)
Finance costs on Borrowings	1,642.27	1,521.15
Finance costs on Borrowings TUF Income	(194.80)	(243.13)
Finance Cost on other than Borrowings	236.68	211.43
Interest income	(1,021.12)	(1,054.66)
Dividend income	(191.23)	(193.29)
Provision for Non Current Investments	20.50	0
Rental Income on Investment Properties	(407.54)	(276.13)
Profit on sale of long term Investments other than Investment Properties- (including Rs. NIL (Previous year Rs.0.05 lac) on sale of Subsidiaries)	(1,077.41)	(1.10)
Loss on sale of fixed assets sold/scrapped / written off	33.42	5.74
Liabilities/ Provisions no longer required	(57.26)	(258.75)
Debit balances in creditors account written off	-	31.64
Bad trade and other receivables/ Loans and advances written off (net)	14.54	7.87
Provision for doubtful debts/ advances	19.44	14.47
Net unrealised exchange loss /(gain)	10.21	(119.56)
Operating profit before working capital changes	1,749.76	2,741.06
<i>Changes in working capital</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	134.76	(1,706.65)
Trade receivables	(6,004.03)	(1,581.01)
Short term Loans and advances	142.61	(393.47)
Long term loans and advances	(1,231.68)	413.86
Other Current Assets	14.89	(292.55)
Other Non Current Assets	(43.53)	(534.61)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Short Term Provisions	8.60	428.35
Long Term Provisions	(424.32)	(165.01)
Interest accrued and due on other than borrowings	(44.20)	(715.69)
Other Current Liabilities	215.91	497.48
Other Long Term Liabilities	14.65	54.77
Trade and other payables	6,439.49	2,947.14
	(776.85)	(1,047.39)
Cash generated from Operations	972.91	1,693.67
Net income tax (paid) / refunds	(245.60)	(518.59)
Net Cash generated from Operating activities	727.31	1,175.08

Consolidated Cash Flow Statement for the year ended 31st March, 2015

₹ In lacs

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
B. Cash flow from investing activities		
Purchase of Fixed Assets and Capital Work in Progress (including Capital Advances)	(4,727.01)	(3,600.34)
Sale of Fixed Assets	531.67	26.10
Sale of Non Current Investments - Investment Properties	903.00	735.98
Purchase of Non Current Investments - Other than Investment Property	(25.08)	-
Dividend income from long term investments	191.23	193.29
Rental Income on Investment Properties	407.54	276.13
Interest Income	1,025.99	1,054.66
Other Bank balances not considered as Cash and Cash Equivalents	(153.52)	(3,795.39)
Proceeds from sale of /disposal of long term investments -other than Investment Properties	1,127.40	
Subsidiaries	-	0.05
Associates	-	1.06
Net cash (used in) investing activities	(718.78)	(5,108.47)
C. Cash flow from financing activities		
Redemption of Preference Shares (Refer Note 3(b)(ii))	-	(3,000.00)
Finance Costs	(1,651.17)	(1,791.55)
Proceeds from Short Term Borrowings	486.73	3,031.52
Proceeds from / (Repayments of) Long Term Borrowings	2,027.90	(1,284.84)
Dividend Paid	(417.39)	(686.74)
Tax on Dividend	(70.94)	(118.22)
Net cash generated from / (used in) financing activities	375.13	(3,849.83)
Net Increase / (Decrease) in cash and cash equivalents	383.66	(7,783.23)
Cash and cash equivalents at the beginning of the year	673.80	8,457.34
Less: Derecognition of Subsidiaries (Refer Note No 30.3)	-	(0.31)
Cash and cash equivalents at the end of the year (Note no. 19)	1,057.46	673.80
See accompanying notes forming part of the financial statements		

In terms of our report attached.

For DELOITTE HASKINS & SELLS For and on behalf of the Board of Directors
Chartered Accountants
Registration No. 117364W

H. A. Mafatlal
Chairman

V. P. Mafatlal
Vice Chairman

A. A. Karanji
Company Secretary

R. Y. Dayal
Managing Director &
Chief Executive Officer

M. D. Pandya
Chief Financial Officer

P. R. Amin
N. K. Parikh
P. N. Kapadia
L. P. Pradhan
G. G. Chakravarti
S. A. Shah

Directors

(R. SALIVATI)
Partner
Membership No. 34004

Mumbai, 30th May, 2015

Mumbai, 30th May, 2015

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

1. Corporate Information

Mafatlal Industries Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the Mumbai and Ahmedabad stock exchanges. 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 units at Nadiad and Navsari.

2. Significant Accounting Policies

a. Basis of accounting and preparation of Financial Statements

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entity (together the 'Group') have been prepared and presented in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act 2013 / Companies Act 1956 as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidation financial statements are consistent with those followed in the previous year.

b. Principles of Consolidation

The consolidated financial statements relate to Mafatlal Industries Limited (the Company), its subsidiary company and jointly controlled entity. The consolidated financial statements have been prepared on the following basis.

The subsidiaries are consolidated on a line – by- line basis adding together like items of assets, liabilities, income and expenses in accordance with Accounting Standard -21 on "Consolidated Financial Statements". Inter-company transactions and balances are eliminated on consolidation.

Investments in Associates are accounted for using the Equity Method in accordance with Accounting Standard 23 on "Accounting for Investments in Associates in Consolidated Financial Statements". Unrealised profits and losses resulting from transactions between the Company and the Associates are eliminated to the extent of the Company's interest in the Associates.

Share of profit/loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per AS 27 Financial Reporting of Interests in Joint Ventures.

Goodwill arising on consolidation is not amortised but tested for impairment.

c. Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

d. Inventories

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

Stores, spares, raw materials and trading goods - Weighted average cost

Process stock and finished goods - Material cost plus appropriate value of overheads

Others (land) - At cost on conversion to stock-in trade plus cost of improvement

e. Depreciation on tangible fixed assets

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the Plant and Machinery, in whose

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

case the life of the assets has been assessed on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support.

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

f. Revenue recognition

Revenue including other income is recognized when no significant uncertainty as to its' determination or realization exists.

g. Export Benefits

Export Benefits available under prevalent schemes are accrued in the year when the right to receive credit as per the terms of the scheme is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate realization / utilization of such benefits.

h. Fixed Assets (Tangible / Intangible)

Fixed assets are recorded at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation, amortization and impairment loss, if any.

Capital Work-in progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

i. Foreign currency transactions and translations

Transactions in foreign currency are recorded at the original rates of exchange in force at the time the transactions are effected. At the year-end, monetary items denominated in foreign currency and forward exchange contracts are reported using closing rates of exchange. Exchange differences arising thereon and on realization/ payment of foreign exchange are accounted, in the relevant year, as income or expense.

In case of forward exchange contracts, or other financial instruments that are in substance forward exchange contracts, the premium or discount arising at the inception of the contracts is amortized as expense or income over the life of the contracts. Gains/ losses on settlement of transactions arising on cancellation/ renewal of forward exchange contracts are recognized as income or expense.

j. Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated where applicable in accordance with the policy stated for fixed assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

k. Employee benefits

- a. The Company contributes towards Employees State Insurance Scheme, Provident Fund, Family Pension Fund and Superannuation Fund which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution as required to be made under the statutes/ rules.
- b. Gratuity liability, a defined benefit scheme, and provision for compensated absences are accrued and provided for on the basis of actuarial valuations made at the year end.

l. Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

m. Operating Lease

Lease arrangements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognized as Operating Lease. Operating Lease receipts and payments are recognized as income or expense, as the case may be, in the Statement of Profit and Loss on a straight-line basis over the lease term.

n. Taxes on income

Tax expenses comprise both current and deferred tax at the applicable enacted/ substantively enacted rates. Current tax represents the amount of income tax payable/ recoverable in respect of the taxable income/ loss for the reporting period.

Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets and Liabilities are measured using the tax rates and tax laws that have been enacted or are substantively enacted by the balance sheet date. In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realize such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

Current and deferred tax relating to items directly recognized in reserves are recognized in reserves and not in the Statement of Profit and Loss.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

o. Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

p. Impairment of assets

Impairment loss is provided to the extent the carrying amount of assets exceed their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash-flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

q. Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are not recognised in the financial statement.

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

r. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilizing the credits.

s. Operating Cycle

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

t. Government grants and subsidies

Grants and subsidies from the Government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

The grant or subsidy that relates to interest expenses is recognized as income over the periods necessary to match them on a systematic basis to the interest costs, which it is intended to compensate. The grant or subsidy relating to the fixed assets is deducted in arriving at the carrying amount of the related fixed asset.

3 SHARE CAPITAL

	As at 31st March, 2015		As at 31st March, 2014	
	Number of shares	₹ in lacs	Number of shares	₹ in lacs
(a) 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
	10,000.00		10,000.00	
(b) Issued				
Equity shares of ₹ 10/- each with voting rights	13,912,886	1,391.28	13,912,886	1,391.28
(c) Subscribed and fully paid up				
(i) 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		1,391.22		1,391.22

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Number of shares	Amount (₹ in lacs)	Number of shares	Amount (₹ in lacs)
(i) Equity shares with voting rights				
Opening balance	13,912,886	1391.28	9,813,471	981.34
Allotted Pursuant to Scheme of Amalgamation (Refer Note no. e (ii) below)	-	-	4,099,415	409.94
Less: Allotment money/ Calls in arrears	-	0.06	-	0.06
Closing balance	13,912,886	1,391.22	13,912,886	1,391.22
(ii) Fully Redeemable Non-Cumulative Preference Shares				
Opening balance	-	-	30,000,000	3,000.00
Less: Redeemed during the year	-	-	30,000,000	3,000.00
Closing balance	-	-	-	-

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

b. (i) Terms / rights attached to Equity shares:

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting

During the year ended 31st March, 2015, the amount of dividend, per share, recognized as distributions to equity shareholders is ₹ 3/- (Previous year ended 31st March, 2014 ₹ 3/-).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

(ii) Terms / rights attached to Preference shares:

In terms of Modified Scheme (MS) approved by BIFR in June 2009, 600,00,000 Fully Redeemable Non-Cumulative Preference Shares of ₹ 10/- each were redeemable over a period of eight years as a subordinated liability to the dues of workers, statutory agencies and the secured creditors. 50% of the shares were redeemed during the period ended 31st March, 2012 and remaining 50% of the shares have been redeemed during the year ended 31st March, 2014.

c. Details of shares held by each shareholder holding more than 5% shares in the Company:

Equity shares of ₹ 10/- each fully paid	31st March, 2015		31st March, 2014	
Name	Nos.	% holding	Nos.	% holding
Navin Fluorine International Limited	17,74,707	12.76	17,74,707	12.76
V. P. Mafatlal	12,12,316	8.72	12,12,316	8.72
Rupal V. Mafatlal	12,03,465	8.65	12,03,465	8.65
Altamount Products and Services Private Limited	10,64,443	7.65	10,64,443	7.65
Sukarma Investments Private Limited	8,39,173	6.03	8,39,173	6.03
H. A. Mafatlal	8,26,803	5.94	8,26,803	5.94
Rekha H. Mafatlal	8,04,283	5.78	8,04,283	5.78

d. Preference shares redeemed by the Company during the period of five years immediately preceding the reporting date:

	Nos.	₹ In lacs
As at 31st March, 2015	60,000,000	6,000.00
As at 31st March, 2014	60,000,000	6,000.00
As at 31st March, 2013	30,000,000	3,000.00

e. Aggregate number of Equity shares issued for consideration other than cash during five years immediately preceding the reporting date:

- During the year 2010-11, 300,00,000 Optionally Convertible Fully Redeemable Non-Cumulative Preference Shares of ₹10/- each were converted into 48,13,860 Equity shares of ₹10/- each of the Company at a premium of ₹ 52.32 per equity share.
- During the year 2013-14, 40,99,415 Equity shares of ₹ 10/- each fully paid-up have been issued to shareholders of erstwhile Mafatlal Denim Limited, as consideration on merger with the Company.

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

f. Calls unpaid (by other than officers and directors)

	As at 31st March, 2015	As at 31st March, 2014
	₹ In lacs	₹ In lacs
Calls Unpaid	0.06	0.06

- g. During 1987-88, 535,000 shares (of ₹ 100/- each) were allotted on rights basis subject to the result of suit nos. 3181 and 3182 of 1987 filed by three shareholders against the Company and Others in the Ahmedabad City Civil Court. The suits are pending disposal.

4 RESERVES AND SURPLUS

(₹ in lacs)

	As at 31st March, 2015	As at 31st March, 2014
(a) Capital Reserve no. 1		
Opening balance	61.16	61.16
(b) Capital Reserve no. 2		
Opening balance	41.62	41.62
(c) Capital Reserve on Amalgamation		
Opening balance	3,634.48	3,634.48
(d) Capital Redemption Reserve		
Opening balance	8,383.14	5,383.14
Add: Transferred from Surplus in Statement of Profit and Loss	-	3,000.00
Closing balance	8,383.14	8,383.14
(e) Securities Premium Account		
Opening balance	17,452.07	17,452.07
(f) Capital Investment Reserve:		
(Non-taxable excess of sale proceeds over book value)		
Opening balance	75.96	75.96
(g) Investment Reserve:		
(Taken over from Mafatlal Gagalbhai and Company Private Limited from 01-04-1972 on Amalgamation)		
Opening balance	1.78	1.78
(h) Export Profit Reserve		
(Taken over from erstwhile The Mafatlal Fine Spinning and Manufacturing Co. Ltd. on amalgamation)		
Opening balance	20.00	20.00
(i) General Reserve		
Opening balance	620.00	375.00
Transferred from Surplus in the Statement of Profit and Loss	-	245.00
	620.00	620.00
(j) Surplus in the Statement of Profit and Loss		
Opening balance	2,932.57	4,413.59
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 30.12)	111.57	-

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

(₹ in lacs)

	As at 31st March, 2015	As at 31st March, 2014
	2,821.00	4,413.59
Add: Profit for the year	2,383.92	2,252.31
	5,204.92	6,665.90
Less: Appropriations		
Transferred to Capital Redemption Reserve on Redemption of Preference Shares	-	(3,000.00)
Transferred to General Reserve	-	(245.00)
Dividends proposed to be distributed to equity shareholders	(417.39)	(417.39)
[Dividend per Share ₹ 3/- (Previous year ₹ 3/-)]		
Tax on Dividend	(84.97)	(70.94)
Total appropriations	(502.36)	(3,733.33)
Closing balance	4,702.56	2,932.57
Total	34,992.77	33,222.78

5 LONG-TERM BORROWINGS

(₹ in lacs)

	As at 31st March, 2015	As at 31st March, 2014
Term Loans		
From Banks - Secured [Refer Note no.(ii)]	5,392.66	2,619.15
From Banks - Secured - Loan for Vehicles [Refer Note no.(iii)]	107.63	69.48
From Others - Secured [Refer Note no.(iv)]	779.75	1,157.66
Other Loans and advances		
Unsecured Loans from Others (Refer Note no.(v))	1.50	1.50
Total	6,281.54	3,847.79

- (i) For Current maturities of Long Term Borrowings; Refer Note No.11(a) - Other Current Liabilities.
- (ii) (a) Term loans of ₹ 2,619.15 lacs (Previous year ₹ 3,417.15 lacs) from a bank are repayable in quarterly installments till March 2018. These Loans are secured by a pari passu mortgage / hypothecation charge on certain fixed assets, including leasehold land and hypothecation charge on certain current assets of the Company and pledge by promoters/ promoter companies of certain shareholding in the Company. The loans carry interest linked to the lenders' Prime Lending Rates. The effective rate of interest for the year was in the range of 14.90% to 15.00% p.a (Previous year 15.50% to 16.00% p.a.).
- (ii) (b) Term loan of ₹ NIL lacs (Previous year ₹ 500.00 lacs) from a bank was repaid in monthly installments till October 2014. This Loan was secured by a pari passu mortgage / hypothecation charge on certain current Assets of the Company and pledge by promoters/ promoter companies of certain shareholding in the Company. The loans carry interest linked to the lenders' Base Rates. The effective rate of interest for the year was in the range of 14% p.a. (Previous year 13.75% to 14% p.a.).
- (ii) (c) Term loan of ₹ 1,814.62 lacs (Previous year ₹ NIL) from a bank are repayable in monthly installments beginning from September, 2016 till August, 2021 after a moratorium period of 24 months. The Loan is secured by mortgage / hypothecation charge on certain fixed assets and pledge of Equity shares owned by the Company. The loan carry interest linked to the lenders' Prime Lending Rates. The effective rate of interest for the year was in the range of 14.00% to 14.50% p.a (Previous year: Not Applicable).

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

- (ii) (d) Term loan of ₹ 1,813.88 lacs (Previous year ₹ NIL) from a bank are repayable in monthly installments beginning from December, 2016 till December 2021 after a moratorium period of 24 months. The Loan is secured by mortgage / hypothecation charge on certain fixed assets and second charge on certain current assets of the Company. The loan carry interest linked to the lenders' Prime Lending Rates. The effective rate of interest for the year was in the range of 13.50% to 13.75% p.a (Previous year: Not Applicable).
- (iii) Loans for Vehicles from Banks is repayable in monthly installments and the same is secured by hypothecation of respective vehicles. The effective rate of interest for the year was in the range of 10.50% to 11% p.a. (Previous year 10.50% to 11% p.a).
- (iv) (a) Term loan of ₹ 689.25 lacs (Previous year ₹ 899.25 lacs) from a Financial Institution is repayable in quarterly installments till March 2018. The Loan is secured by a pari-passu mortgage / hypothecation charge on the Company's certain fixed assets, including leasehold land and hypothecation charge on certain current assets of the Company and pledge by promoters/ promoter companies of certain shareholding in the Company. The loan carry an interest linked to the lenders' Prime Lending Rates. The effective rate of interest for the current year was at 13.25% to 16.75% p.a. (Previous year 16.75% p.a.).
- (v) (b) Term loan of ₹ 468.41 lacs (Previous year ₹ 611.13 lacs) from a Financial Institution is repayable in quarterly installments till March 2018. The Loan is secured by pari-passu hypothecation charge on certain current assets of the Company and pledge by promoters/ promoter companies of certain shareholding in the Company. The loan carries interest @ 12.25% to 13.25% p.a. (Previous year 12.25% p.a.).
- (vi) Terms of Repayment: Interest free loan payable on demand.

6 DEFERRED TAX LIABILITIES (NET)

(₹ in lacs)

	As at 31st March, 2015	As at 31st March, 2014
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	2,178.75	1,991.61
Tax effect of items constituting deferred tax liability	2,178.75	1,991.61
Tax effect of items constituting deferred tax assets		
Provision for doubtful debts / advances and lease equilisation reserve (net)	54.08	124.64
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	887.78	1,349.59
Unabsorbed depreciation carried forward	931.22	262.38
Tax effect of items constituting deferred tax assets	1,873.08	1,736.61
Net deferred tax liability (net)	305.67	255.00

Note: The Company has recognised deferred tax asset on unabosorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under income tax.

7 OTHER LONG-TERM LIABILITIES

(₹ in lacs)

	As at 31st March, 2015	As at 31st March, 2014
(i) Trade/ Security deposits received	225.16	225.20
(ii) Interest accrued on others	51.77	37.08
Total	276.93	262.28

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

8 LONG-TERM PROVISIONS

(₹ in lacs)

	As at 31st March, 2015	As at 31st March, 2014
Provision for employee benefits		
(i) Provision for Compensated absences (Refer Note no. 31.4)	522.45	480.02
(ii) Provision for Gratuity (Refer Note no. 31.4)	4.38	471.13
Total	526.83	951.15

9 SHORT-TERM BORROWINGS

(₹ in lacs)

	As at 31st March, 2015	As at 31st March, 2014
Loans repayable on demand		
From Banks		
Secured * - Overdraft facility from Banks	3,171.44	5,880.65
Secured ** - Cash credit from Banks	4,040.81	844.87
Total	7,212.25	6,725.52

* Secured against Fixed Deposits of ₹ 7,372.79 lacs, maturing on various dates, last date of maturity 15th March, 2016. (Previous year: ₹ 7,420.00 lacs, last date of maturity 15th March, 2015).

** Cash credit facility are secured by hypothecation of certain Stocks and Book debts both present and future of the Company, second charge on certain fixed assets of the Company and pledge of investments held by the Company. The cash credit is repayable on demand and carry an interest @ 12.75% to 14.50% p.a (Previous year 14.50% p.a.)

10 TRADE PAYABLES

(₹ in lacs)

	As at 31st March, 2015	As at 31st March, 2014
Other than acceptances	19,141.38	12,747.78
Other than acceptances - Share of Jointly Controlled Entity	19.74	65.09
Total	19,161.12	12,812.87

11 OTHER CURRENT LIABILITIES

(₹ in lacs)

	As at 31st March, 2015	As at 31st March, 2014
(a) Current maturities of long-term debt (Refer Note No. 5 Long Term Borrowings for details of securities)		
(i) From Banks - Secured	855.00	1,298.00
(ii) From Banks - Secured Loans for Vehicles	34.38	22.42
(iii) From Financial Institutions - Secured	377.91	352.72
(b) Interest accrued but not due on borrowings	39.59	6.71
(c) Unclaimed dividends	14.72	8.90
(d) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	566.43	527.98
(ii) Payables on purchase of fixed assets	45.96	12.01
(iii) Interest accrued on other than borrowings	879.28	923.48

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

(₹ in lacs)

	As at 31st March, 2015	As at 31st March, 2014
(iv) Trade / security deposits received	44.72	37.25
(v) Advances from customers	448.09	187.77
(vi) Other advances (Refer Note no. 30.5)	577.89	577.89
(vii) Others includes Voluntary Retirement Scheme, electricity dues.	332.41	462.51
(viii) Lease rent/ utilities equilisation on expense	80.62	46.64
Total	4,297.00	4,464.28

12 SHORT-TERM PROVISIONS

(₹ in lacs)

	As at 31st March, 2015	As at 31st March, 2014
(a) Provision for employee benefits		
(i) Provision for Compensated absences (Refer Note no.31.4)	142.64	174.53
(ii) Provision for Gratuity (Refer Note no. 31.4)	173.94	133.45
	316.58	307.98
(b) Provisions - Others		
(i) Provision for tax (net of advance tax ₹ 11,125.65 lacs (As at 31st March, 2014 ₹ 10,816.16 lacs))	980.71	759.20
(ii) Provision for Fringe Benefit Tax (net of advance tax ₹ 39.05 lacs (As at 31st March, 2014 ₹ 39.05 lacs))	0.40	0.40
(iii) Provision for Wealth Tax (net)	0.34	1.14
(iv) Provision for Proposed Equity dividend	417.39	417.39
(v) Provision for tax on Proposed dividend	84.97	70.94
	1,483.81	1,249.07
Total	1,800.39	1,557.05

Note 13a Fixed assets

(₹ in lacs)

A.	Tangible assets	Gross block							
		Balance as at 1st April, 2014	Additions	Additions on account of joint ventures	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31st March, 2015
(a) Land									
	Freehold	21.08	-	-	-	-	-	-	21.08
	(Previous year)	(21.08)	-	-	-	-	-	-	(21.08)
	Leasehold *	0.08	-	-	-	-	-	-	0.08
	(Previous year)	(0.08)	-	-	-	-	-	-	(0.08)
		21.16	-	-	-	-	-	-	21.16
	(Previous year)	(21.16)	-	-	-	-	-	-	(21.16)

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

(₹ in lacs)

A.	Tangible assets	Gross block							
		Balance as at 1st April, 2014	Additions	Additions on account of joint ventures	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31st March, 2015
(b) Buildings									-
Own use		4,333.59	423.30	-	16.67	-	-	-	4,740.22
(Previous year)		(4,037.72)	(295.87)	-	-	-	-	-	(4,333.59)
Given under operating lease		63.60	-	-	-	-	-	-	63.60
(Previous year)		(63.60)	-	-	-	-	-	-	(63.60)
		4,397.19	423.30	-	16.67	-	-	-	4,803.82
(Previous year)		(4,101.32)	(295.87)	-	-	-	-	-	(4,397.19)
(c) Plant and Equipment									-
Owned		42,483.58	1,889.51	-	1,001.64	-	-	-	43,371.45
(Previous year)		(35,300.21)	(7,637.88)	-	(457.04)	-	-	(2.53)	(42,483.58)
		42,483.58	1,889.51	-	1,001.64	-	-	-	43,371.45
(Previous year)		(35,300.21)	(7,637.88)	-	(457.04)	-	-	(2.53)	(42,483.58)
(d) Furniture and Fixtures									-
Owned		419.80	130.49	-	22.46	-	-	-	527.83
(Previous year)		(276.23)	(147.91)	(2.72)	(5.14)	-	-	(1.92)	(419.80)
		419.80	130.49	-	22.46	-	-	-	527.83
(Previous year)		(276.23)	(147.91)	(2.72)	(5.14)	-	-	(1.92)	(419.80)
(e) Vehicles									-
Owned		358.12	94.85	-	24.78	-	-	-	428.19
(Previous year)		(260.76)	(108.38)	-	(11.02)	-	-	-	(358.12)
		358.12	94.85	-	24.78	-	-	-	428.19
(Previous year)		(260.76)	(108.38)	-	(11.02)	-	-	-	(358.12)
(f) Office equipment									-
Owned		843.73	36.78	1.35	186.63	-	-	-	695.23
(Previous year)		(813.88)	(40.00)	(1.57)	(11.11)	-	-	(0.61)	(843.73)
		843.73	36.78	1.35	186.63	-	-	-	695.23
(Previous year)		(813.88)	(40.00)	(1.57)	(11.11)	-	-	(0.61)	(843.73)
(g) Leasehold improvements									-
Owned		256.82	-	-	-	-	-	-	256.82
(Previous year)		(256.82)	-	-	-	-	-	-	(256.82)
		256.82	-	-	-	-	-	-	256.82
(Previous year)		(256.82)	-	-	-	-	-	-	(256.82)
(h) Railway sidings									-
Owned		2.70	-	-	-	-	-	-	2.70
(Previous year)		(2.70)	-	-	-	-	-	-	(2.70)
		2.70	-	-	-	-	-	-	2.70
(Previous year)		(2.70)	-	-	-	-	-	-	(2.70)
Total		48,783.10	2,574.93	1.35	1,252.18	-	-	-	50,107.20
(Previous year)		(41,033.08)	(8,230.04)	(4.29)	(484.31)	-	-	-	(48,783.10)

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

Note 13a Fixed assets (contd)

(₹ in lacs)

A	Tangible assets	Accumulated depreciation and impairment						Net block	
		Balance as at 1st April, 2014	Depreciation / amortisation expense for the year	Depreciation on account of joint ventures	Eliminated on disposal of assets	Other adjustments	Balance as at 31st March, 2015	Balance as at 31st March, 2015	Balance as at 31st March, 2014
(a) Land									
	Freehold	-	-	-	-	-	-	21.08	21.08
	(Previous year)	-	-	-	-	-	-	(21.08)	
	Leasehold *	-	-	-	-	-	-	0.08	0.08
	(Previous year)	-	-	-	-	-	-	(0.08)	
		-	-	-	-	-	-	21.16	21.16
	(Previous year)	-	-	-	-	-	-	(21.16)	-
(b) Buildings							-		
	Own use	2,016.04	94.41	-	11.94	108.38	2,206.89	2,533.33	2,317.55
	(Previous year)	(1,893.44)	(122.60)	-	-	-	(2,016.04)	(2,317.55)	
	Given under operating lease *	15.31	1.00	-	-	-	16.31	47.29	48.29
	(Previous year)	(14.27)	(1.04)	-	-	-	(15.31)	(48.29)	
		2,031.35	95.41	-	11.94	108.38	2,223.20	2,580.62	2,365.84
	(Previous year)	(1,907.71)	(123.64)	-	-	-	(2,031.35)	(2,365.84)	-
(c) Plant and Equipment							-		
	Owned	30,025.48	1,340.83	-	958.30	26.76	30,434.77	12,936.68	12,458.10
	(Previous year)	(28,879.50)	(1,596.85)	-	(453.14)	(2.27)	(30,025.48)	(12,458.10)	
		30,025.48	1,340.83	-	958.30	26.76	30,434.77	12,936.68	12,458.10
	(Previous year)	(28,879.50)	(1,596.85)	-	(453.14)	(2.27)	(30,025.48)	(12,458.10)	-
(d) Furniture and Fixtures							-		
	Owned	225.47	31.66	0.58	21.96	1.05	236.80	291.03	194.33
	(Previous year)	(222.08)	(7.84)	(0.68)	(4.75)	(0.38)	(225.47)	(194.33)	
		225.47	31.66	0.58	21.96	1.05	236.80	291.03	194.33
	(Previous year)	(222.08)	(7.84)	(0.68)	(4.75)	(0.38)	(225.47)	(194.33)	-
(e) Vehicles							-		
	Owned	104.32	50.48	-	21.07	0.26	133.99	294.20	253.80
	(Previous year)	(85.82)	(26.74)	-	(8.24)	-	(104.32)	(253.80)	
		104.32	50.48	-	21.07	0.26	133.99	294.20	253.80
	(Previous year)	(85.82)	(26.74)	-	(8.24)	-	(104.32)	(253.80)	-
(f) Office equipment							-		
	Owned	639.62	85.54	1.11	186.47	32.43	572.23	123.00	204.11
	(Previous year)	(607.01)	(44.68)	(0.44)	(10.62)	(1.89)	(639.62)	(204.11)	
		639.62	85.54	1.11	186.47	32.43	572.23	123.00	204.11
	(Previous year)	(607.01)	(44.68)	(0.44)	(10.62)	(1.89)	(639.62)	(204.11)	-

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

(₹ in lacs)

A	Tangible assets	Accumulated depreciation and impairment					Net block		
		Balance as at 1st April, 2014	Depreciation / amortisation expense for the year	Depreciation / amortisation expense for the year on account of joint ventures	Eliminated on disposal of assets	Other adjustments	Balance as at 31st March, 2015	Balance as at 31st March, 2015	Balance as at 31st March, 2014
(g) Leasehold improvements							-		
Owned		47.30	30.26	-	-	-	77.56	179.26	209.52
(Previous year)		(18.76)	(28.54)	-	-	-	(47.30)	(209.52)	
		47.30	30.26	-	-	-	77.56	179.26	209.52
(Previous year)		(18.76)	(28.54)	-	-	-	(47.30)	(209.52)	-
(h) Railway sidings							-		
Owned		2.57	-	-	-	-	2.57	0.13	0.13
(Previous year)		(2.57)	-	-	-	-	(2.57)	(0.13)	
		2.57	-	-	-	-	2.57	0.13	0.13
(Previous year)		(2.57)	-	-	-	-	(2.57)	(0.13)	-
Total		33,076.11	1,634.18	1.69	1,199.74	168.88	33,681.12	16,426.08	15,706.99
(Previous year)		(31,723.45)	(1,828.29)	(1.12)	(476.75)	-	(33,076.11)	(15,706.99)	-

Note:

Building include ₹ 12.86 lacs (Previous year ₹ 12.86 lacs) being the cost of ownership premises in a co-operative society, including cost of shares received for the face value of ₹ 2500/-, under the bye-laws of the society.

Note 13b Fixed assets

(₹ in lacs)

A.	Intangible assets	Gross block						
		Balance as at 1st April, 2014	Additions	Disposals	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31st March, 2015
(a) Computer software		-	-	-	-	-	-	-
Owned		118.34	10.62	-	-	-	4.03	132.99
(Previous year)		(12.80)	(105.54)	-	-	-	-	(118.34)
Total		118.34	10.62	-	-	-	4.03	132.99
(Previous year)		(12.80)	(105.54)	-	-	-	-	(118.34)

(₹ in lacs)

A	Intangible assets	Accumulated depreciation and impairment					Net block	
		Balance as at 1st April, 2014	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31st March, 2015	Balance as at 31st March, 2015	Balance as at 31st March, 2014
(a)	Computer software	-	-	-	-	-	-	-
	Owned	8.02	33.08	-	4.17	45.27	87.72	110.32
	(Previous year)	(4.72)	(3.30)	-	-	(8.02)	(110.32)	-
	Total	8.02	33.08	-	4.17	45.27	87.72	110.32
	(Previous year)	(4.72)	(3.30)	-	-	(8.02)	(110.32)	-

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

14 INVESTMENTS (LONG TERM)

Non Current Investments	As at 31st March , 2015		As at 31st March , 2014	
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
a) Investment Properties		49.74		57.99
b) Equity Instruments	4,584.84		4,714.95	-
Less Share of Losses in Associates	-	4,584.84	124.00	4,590.95
c) Government Securities		2.89		2.89
d) Debentures and Bonds		20.50		20.50
e) Mutual Funds		-		46.30
Less Provision for Diminution		(20.50)		-
		4,637.47		4,718.63

(₹ in lacs)

	Cost	Market Value
Aggregate value of quoted investments	4,553.81	10,389.86
	<i>4,557.50</i>	<i>5,146.22</i>
Aggregate value of unquoted investments	83.66	
	<i>161.13</i>	
Total	4,637.47	
	<i>4,718.63</i>	

Figures in italics are as at 31st March, 2014

Note: 1

(₹ in lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Investment in Properties		
Gross Block		
Balance as per last Balance Sheet *	76.98	80.19
Less: Deduction during the year	4.37	3.21
	72.61	76.98
Less : Accumulated Depreciation		
Balance as per last Balance Sheet	18.99	15.98
Add: Depreciation for the year	3.88	3.01
	22.87	18.99
Net Block	49.74	57.99

* includes asset held for sale ₹ NIL (Previous year ₹ 3.21 lacs).

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

15 LONG-TERM LOANS AND ADVANCES

₹ in lacs

	As at 31st March, 2015	As at 31st March, 2014
(a) Capital advances		
Unsecured, considered good	1,502.34	53.15
(b) Security deposits		
Unsecured, considered good	752.69	738.64
Doubtful	-	83.20
Less: Provision for doubtful deposits	-	(83.20)
	752.69	738.64
(c) Loans and advances to related parties (Refer Note no. 31.5)		
Unsecured, considered good	621.95	1,091.72
Doubtful	-	141.80
Less: Provision for doubtful deposits	-	(141.80)
	621.95	1,091.72
(d) Loans and advances to employees		
Secured, considered good		
Unsecured, considered good	17.09	12.05
Doubtful	-	1.64
Less: Provision for doubtful loans and advances	-	(1.64)
	17.09	12.05
(e) Prepaid expenses - Unsecured, considered good (Insurance premium, Annual maintenance contracts, etc.)	1.82	-
(f) Advance income tax (net of provisions ₹ 1,550.85 lacs (As at 31st March, 2014 ₹ 150.76 lacs) - Unsecured, considered good	1,525.65	1,523.44
(g) MAT credit entitlement	871.00	356.00
(h) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	133.16	14.99
(ii) VAT credit receivable	25.70	11.49
(ii) Service Tax credit receivable	244.10	37.25
(iii) Deposit with Excise authorities in Escrow account	232.25	359.26
Doubtful	31.45	22.54
Less: Provision for doubtful loans and advances	(31.45)	(22.54)
	635.21	422.99
(i) Other loans and advances		
Unsecured, considered good		
(i) Deposits recoverable from parties	38.36	30.64
(ii) Lease rent/utilities equalisation on Income	40.09	28.91
Doubtful	-	9.75
Less: Provision for other doubtful loans and advances	-	(9.75)
	78.45	59.55
Total	6,006.20	4,257.54

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

₹ in lacs

	As at 31st March, 2015	As at 31st March, 2014
Note: Long-term loans and advances include amounts due from:		
Director	56.20	62.40
Private companies in which atleast one of the directors is a director or member	565.75	785.32
Mafatlal Impex Private Limited	267.25	310.92
Suremi Trading Private Limited	122.77	226.90
Sukarma Investments Private Limited	175.73	247.50

16 OTHER NON CURRENT ASSETS

₹ in lacs

	As at 31st March, 2015	As at 31st March, 2014
(a) Accruals		
(i) Interest accrued on deposits	3.91	3.91
(ii) Interest accrued on investments	-	6.88
(iii) Interest accrued on loans to staff	17.17	15.16
(b) Others		
(i) Balances with Banks in Earmarked accounts (Refer Note no. 30.5)	621.53	578.00
Total	642.61	603.95
Other Non-current assets include amounts due from:		
Director	17.17	15.16

17 INVENTORIES (At lower of cost and net realizable value)

₹ in lacs

	As at 31st March, 2015	As at 31st March, 2014
(a) Raw materials	1,147.22	1,541.10
(b) Work-in-progress	6,729.27	5,402.63
(c) Finished goods (Other than those acquired for trading)	2,279.07	2,667.50
(d) (i) Stock in trade (Acquired for Trading) includes material in transit ₹ 53.47 lacs (Previous year ₹ 106.26 lacs)	1,308.36	1,932.60
(ii) Stock in trade (Traded goods) Share of jointly controlled entity	-	0.42
(e) Stores and spares	709.20	825.02
(f) Others (Land)	61.97	0.58
Total	12,235.09	12,369.85
Note: Details of Inventories of Work-in-Progress:		
Particulars		
Cotton & Fibre	314.84	303.99
Yarn	2,037.12	2,372.24
Fabrics	4,196.39	2,411.98
Others	180.92	314.42
	6,729.27	5,402.63

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

18 TRADE RECEIVABLES

₹ in lacs

	As at 31st March, 2015	As at 31st March, 2014
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	1,704.14	1,097.40
Doubtful	87.16	93.81
	1,791.30	1,191.21
Less: provision for doubtful trade receivables	(87.16)	(93.81)
	1,704.14	1,097.40
Other Trade receivables		
Trade receivables - Share of jointly controlled entity considered good	5.32	51.04
Unsecured, considered good	18,217.50	12,791.18
	18,222.82	12,842.24
Total	19,926.96	13,939.62
Includes debts dues from:-		
Private companies in which atleast one of the directors is a director or member	50.65	71.37
Krishnadeep Housing development Private Limited	13.50	12.63
Cebon Apparel Private Limited	15.93	19.42
Tropical Clothing Company Private Limited	21.22	39.32

19 CASH AND CASH EQUIVALENTS

₹ in lacs

	As at 31st March, 2015	As at 31st March, 2014
A Cash and Cash equivalents (As per AS-3 Cash Flow Statements)		
(a) Cash on hand	18.86	20.19
(b) Cheques on hand	47.86	30.77
(c) Balances with Banks:		
(i) (a) In Current accounts	979.74	602.88
(b) In Current accounts - Share of jointly controlled entity	-	4.87
(ii) In deposit accounts - Original maturity of 3 months or less	11.00	15.09
Total - Cash and cash equivalents (As per AS-3 Cash Flow Statements) (A)	1,057.46	673.80
B Other bank balances		
(i) In Other deposit accounts - original maturity more than 3 months (Refer note ii(a))	884.10	1,388.83
(ii) In earmarked accounts		
(a) Balances held as margin money or security against borrowings, guarantees and other commitments (Refer note ii (b))	1,379.78	705.95
(b) Unclaimed dividend accounts	14.72	8.90

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

₹ in lacs

	As at 31st March, 2015	As at 31st March, 2014
Other earmarked accounts		
(iii) Others		
-Balance in Fixed Deposits (earmarked for Overdraft Facility) (Refer note ii(c))	7,398.45	7,419.85
-Balance in Escrow Current account (Refer Note (i) below)	1.87	1.87
Total - Other bank balances (B)	9,678.92	9,525.40
Total Cash and Cash Equivalents (A+B)	10,736.38	10,199.20

Notes:

- (i) Balance in Escrow Current account and Escrow Fixed Deposit account is operated under the supervision of Monitoring Committee constituted by the Government of Maharashtra, under Development Control Regulations, 1991.
- (ii) (a) Bank deposits with more than 12 months maturity from Balance Sheet date is Rs.7.00 lacs in Current year (Previous year Rs.2.52 lacs)
- (ii) (b) Includes balances with more than 12 months maturity from Balance Sheet date is Rs.396.21 lacs in Current year (Previous year Rs.47.01 lacs)
- (ii) (c) Includes balances with more than 12 months maturity from Balance Sheet date is Rs.NIL in Current year (Previous year Rs.21.40 lacs)

20 SHORT TERM LOANS AND ADVANCES

₹ in lacs

	As at 31st March, 2015	As at 31st March, 2014
(a) Loans and advances to related parties (Refer Note no. 31.5)		
Unsecured Considered good	6.20	6.20
(b) Security deposits		
Unsecured Considered good	280.28	243.50
Unsecured Considered good - Share of jointly controlled entity	2.99	2.18
	283.27	245.68
(c) Loans and advances to employees		
Unsecured, considered good	24.30	101.65
(d) Prepaid expenses		
(i) Unsecured, considered good	72.58	60.75
(ii) Prepaid expenses - Share of Jointly Controlled Entity	-	4.02
(e) Balances with government authorities		
Unsecured, considered good		
(i) Custom duty refund receivable	-	61.55
(ii) Export Benefit receivable	692.17	135.64
(iii) interest subsidy receivable (TUFs)	142.41	116.36
(iv) Other - Modvat and Export benefit receivable	-	369.31
	834.58	682.86

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

₹ in lacs

	As at 31st March, 2015	As at 31st March, 2014
(f) Others		
Unsecured, considered good		
(i) Trade advances	324.56	591.25
(ii) Trade advances - Share of jointly controlled entity	4.79	0.48
Doubtful	-	13.95
Less: Provision for other doubtful loans and advances	-	(13.95)
	329.35	591.73
Total	1,550.28	1,692.89
Note: Short-term loans and advances include amounts due from:		
Director	6.20	6.20
Other officer of the Company	-	70.00

21 OTHER CURRENT ASSETS

₹ in lacs

	As at 31st March, 2015	As at 31st March, 2014
Accruals		
(i) Interest accrued on deposits with banks	403.79	416.56
(ii) Interest accrued on investments	12.43	11.39
(iii) Interest accrued on loans to staff	0.33	3.49
Total	416.55	431.44
Notes		
Other Current assets include amounts due from:		
Officer of the Company	-	3.49

22 REVENUE FROM OPERATIONS

₹ in lacs

	Current year	Previous year
(a) Sale of products (Refer note (Ia) & (Ib) below)	98,639.55	89,725.95
Sale of products - Share of jointly controlled entity (Refer Note (Ib) below)	66.48	206.16
(b) Other operating revenues (Refer note (II) below)	2,639.60	2,046.68
Revenue from operations	101,345.63	91,978.79
Note:		
I Sale of products comprises:		
a Manufactured goods		
Cloth	23,019.33	23,796.85
Yarn	12.33	62.94
Denim Fabrics	27,652.05	29,832.12
Garments	13.79	66.23
	50,697.50	53,758.14

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

	₹ in lacs	
	Current year	Previous year
b Traded goods		
Cloth	47,942.05	35,967.81
Share of Jointly Controlled Entity	66.48	206.16
Total - Sale of Traded goods	48,008.53	36,173.97
Total - Sale of Products (a + b)	98,706.03	89,932.11
II Other operating revenues		
Income from waste/scrap sale	394.01	391.34
Processing Charges	118.63	30.10
Duty drawback and other export incentive	814.99	498.62
Rental income from investment property	407.54	276.13
Utility/ Business Service /Air-conditioning charges and other receipts	904.43	850.49
Total	2,639.60	2,046.68

23 OTHER INCOME

	₹ in lacs	
	Current year	Previous year
Interest income (Refer note 1, below)	1,021.12	1,054.66
Dividend income from long term investments	191.23	193.29
Net gain on sale of long term Investments	1,077.41	1.05
Net gain on foreign currency transaction and translation	78.30	119.56
Other non-operating income (Refer note 2, below)	746.50	411.24
Recovery of expenses Incurred	-	2.09
Total	3,114.56	1,781.89
Notes,		
1 Interest income comprises:		
Interest from banks on deposits	905.75	896.53
Other interest	115.37	158.13
Total	1,021.12	1,054.66
2 Other non-operating income:		
Miscellaneous income	128.82	139.61
Miscellaneous income -Share of jointly controlled entity	0.24	0.46
Profit on sale of Fixed assets	560.18	9.67
Profit on disposal of the investment in Subsidiaries	-	2.75
Liabilities/ Provisions no longer required	57.26	258.75
Total	746.50	411.24

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

24 (a) COST OF MATERIALS CONSUMED

₹ in lacs		
Particulars	Current year	Previous year
Opening stock	1,541.10	2,524.36
Add: Purchases	21,967.60	25,506.60
Less: Closing stock	1,147.22	1,541.08
Cost of material consumed	22,361.48	26,489.88
Material consumed comprises:		
Cotton & Fibre	13,638.56	15,942.51
Yarn	6,244.49	7,692.54
Fabrics	1,760.11	2,235.43
Others	718.32	619.40
Total	22,361.48	26,489.88

24 (b) PURCHASE OF TRADED GOODS

₹ in lacs		
Particulars	Current year	Previous year
Cloth	42,717.40	33,611.11
Cloth -Share of jointly controlled entity	2.90	167.84
Total	42,720.30	33,778.95

24 (c) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in lacs		
Particulars	Current year	Previous year
Inventories at the end of the period		
Finished goods	2,279.07	2,667.50
Work-in-progress	6,729.27	5,402.63
Stock-in-trade (Traded goods)	1,308.36	1,932.60
Stock-in-trade (Traded goods)-Share of jointly controlled entity	-	0.42
	10,316.70	10,003.15
Inventories at the beginning of the period		
Finished goods	2,667.50	2,075.13
Work-in-progress	5,402.63	4,665.78
	8,070.13	6,740.91
Stock in trade (Trading goods)	1,932.60	593.65
Stock-in-trade (Traded goods)-Share of jointly controlled entity	0.42	-
	10,003.15	7,334.56
Net increase	313.55	2,668.59

25 EMPLOYEE BENEFITS EXPENSE

₹ in lacs		
	Current year	Previous year
Salaries and wages	8,187.96	7,347.44
Salaries and wages -Share of jointly controlled entity	29.59	30.82
Contributions to provident and other funds (Refer Note 31.4)	665.74	642.36
Gratuity expenses	535.58	(213.48)
Staff welfare expenses	364.42	348.12
Total	9,783.29	8,155.26

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

26 FINANCE COSTS

	₹ in lacs	
	Current year	Previous year
(a) Interest expense on:		
(i) Borrowings (Refer Note no. 1)	1,275.67	1,271.05
(ii) Trade payables	140.01	95.30
(iii) Others (includes for delayed payment of income tax, employee dues etc.)	96.67	116.13
(b) Other Borrowing costs:	171.80	6.97
Total	1,684.15	1,489.45

Note no. 1

The interest subsidy for the year on the Term Loans availed under the Technology Upgradation Fund Scheme (TUFS) ₹ 194.80 lacs (Previous year ₹ 243.13 lacs) and the same has been netted off from interest expense.

Note no. 2

Finance costs are net of ₹ 128.88 lacs capitalised (Previous year, ₹ NIL) - Refer note 30.9 (b)

27 DEPRECIATION AND AMORTISATION EXPENSE

	₹ in lacs	
	Current year	Previous year
(Refer note 13a, 13b and 14)		
Depreciation on tangible assets	1,634.18	1,828.29
Depreciation on tangible assets -Share of jointly controlled entity	1.69	1.12
Amortisation on intangible assets	33.08	3.30
Depreciation on investment property	3.88	3.01
Total	1,672.83	1,835.72

28 OTHER EXPENSES

	₹ in lacs	
	Current year	Previous year
Consumption of stores and spare parts	8,306.60	8,581.45
Processing Charges	2,051.25	1,822.74
Power and Fuel	7,902.28	6,864.67
Repairs and maintenance -Buildings	142.47	166.37
Repairs and maintenance -Machinery	294.99	319.25
Repairs and maintenance - Others	32.75	38.11
Insurance	78.43	87.50
Lease Rent (Refer Note no. 31.1)	349.76	346.42
Rates and Taxes (including wealth tax ₹ 3.00 lacs (Previous year ₹ 1.85 lacs))	198.30	181.35
Commission, Brokerage and Discount	1,569.02	1,574.27
Transport and Freight Charges (net)	574.71	441.93

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

₹ in lacs

	Current year	Previous year
Expenditure on Corporate Social Responsibility	6.20	-
Donations and Contributions	0.76	36.74
Debit balance of creditors written off	-	31.64
Bad trade and other receivables/ Loans & advances w/off	14.54	7.87
Long term Investments written off	0.01	-
Provision for doubtful trade receivables and loans & advances	19.44	14.47
Provision for diminution in the value of long term Investments	20.50	-
Loss on fixed assets sold / scrapped / written off	33.42	5.73
Legal and Professional fees	527.15	436.04
Commission to Non-Executive Directors	-	15.31
Payments to Auditors (Refer note (I) below)	65.07	53.78
Director's fees	8.10	8.99
Miscellaneous Expenses	2,710.60	2,349.87
Miscellaneous Expenses - Share of jointly controlled entity	35.93	26.18
Total	24,942.28	23,410.68
(I) Payments to auditors (excluding service tax)		
Statutory Auditors		
Audit fees	18.10	16.07
For taxation matters	28.74	20.15
For other services	12.65	12.00
Reimbursement of expenses	0.16	0.37
TOTAL	59.65	48.59
Branch Auditors		
Audit fees	2.50	2.50
For taxation matters	0.90	0.90
For other services	1.25	1.15
Reimbursement of expenses	0.77	0.64
TOTAL	5.42	5.19

29 EXCEPTIONAL ITEMS

₹ in lacs

	Current year	Previous year
Profit on sale of fixed assets	-	5.62
Profit on sale of Long Term Investment Properties (net)	898.63	731.15
Total	898.63	736.77

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

Note 30 Additional information to the consolidated financial statements

₹ in lacs

Note	Particulars	As at 31st March, 2015	As at 31st March, 2014
30.1	Contingent liabilities and commitments (to the extent not provided for)		
(a)	The Company is contingently liable for :		
i	Bills of exchange discounted	877.93	574.25
ii	Demands of income-tax authorities disputed in appeals (mainly relate to disallowance of conversion of land to stock in trade, write off of balances of loans & advances, business expenditure, Chapter VIA deductions, etc. (pending before the Commissioner of Income-tax (Appeals)/ Income-tax Appellate Tribunal))	2,979.25	730.85
iii	Demands under excise and other proceedings disputed in appeals (mainly relating to matters like differential duty on revision of assessable value of yarn captively consumed, duty on T.C. hard waste, duty on drill etc. (pending at various stages, from Assistant Commissioner to CESTAT))	2,624.24	2,614.89
iv	Disputed Demand Notice issued by Commissioner of Central Excise, relating to Excise and Service Tax matters (Includes penalty). ₹ 221.32 lacs paid under protest during the year.	2,960.55	2,960.55
v	Claims against the Company not acknowledged as debts (mainly relating to dispute on fixed water charges at Navsari Unit, disputed service tax, interest on sales tax)	113.38	113.38
vi	Concessional customs duty on import of machinery under EPCG Scheme payable subject to fulfillment of mandatory import/ export obligation. The Company has submitted a bond to the authorities of ₹ 1,000.00 lakhs. (including Penalty)	1,216.00	1,198.21
vii	Claims made by workers against the Company (mainly relating to matters like termination, compensation etc).	1,408.66	1,172.08
viii	Demands from Director General of Foreign Trade against Advance License.	4.79	4.79
ix	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 lacs (Previous year ₹ 2,696.98 lacs) for the period from 01.04.2008 to 31.03.2010 has been raised by Brihanmumbai Mahanagarपालिका towards Property Taxes in respect of the properties owned by various owners for the respective floors. No demand is raised in respect of common areas / properties in the name of the Company. The demand has been challenged by owners of various floors at appropriate forum and the matter is subjudice. In case the demand is finally upheld the amount will be paid by the concerned co-owners and the Company will have no additional liability

In case of Mafatlal Chambers:

A demand for ₹ 378.51 lacs (Previous year ₹ 378.51 lacs) for earlier years has been raised by Brihanmumbai Mahanagarपालिका towards Property Taxes in respect of the properties owned by the Company for the respective floor.

In the above matters (i) to (ix), the Company is hopeful of succeeding and as such does not expect any significant liability to crystallize.

Future cash outflows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

₹ in lacs

	As at 31st March, 2015	As at 31st March, 2014
(b) Letter of comfort given on behalf of Ibiza Industries Limited (under liquidation since 2007) not considered as Guarantee on legal advice.	850.28	850.28

₹ in lacs

	As at 31st March, 2015	As at 31st March, 2014
30.2 Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for:-		
Tangible assets	907.93	128.09

30.3 The consolidated financial statements of the Group - Mafatlal Industries Limited ("the parent company-MIL") and its subsidiary and a joint venture have been prepared in accordance with Accounting Standard (AS)-21 on 'Consolidated Financial Statements' and Accounting Standard (AS)-27 on 'Financial Reporting of Interests in Joint Venture'-. The details of such enterprises are as under:

Sr. No.	Subsidiaries – all incorporated in India	% Holding of the Company	Date of Financial Statements	
			Current Year	Previous Year
1	Mafatlal Services Limited	88.00%	31st March, 2015	31st March, 2014
2	Myrtle Textiles Private Limited	-	-	Not consolidated since ceases to be a Subsidiary w.e.f 25th March, 2014
3	Mayflower Textiles Private Limited	-	-	Not consolidated since ceases to be a Subsidiary w.e.f 25th March, 2014
4	Ibiza Industries Limited	54.89%	Refer Note (ii) below	Refer Note (ii) below
5	Sunanda Industries Limited	94.00%	Refer Note (ii) below	Refer Note (ii) below
6	Repal Apparel Private Limited	-	-	Not consolidated since ceases to be a Subsidiary w.e.f 25th March, 2014
Sr. No.	Joint Venture	% Holding of the Company	Date of Financial Statements	
			Current Year	Previous Year
1	Al Fahim Mafatlal Textile LLC, UAE	49.00%	Refer Note (iii) below	Refer Note (iii) below

- (i) (a) There has been no change in the percentage holding of the Company in its 3 subsidiaries existing as at the year end 31st March 2015.
- (b) Myrtle Textiles Private Limited, Mayflower Textiles Private Limited and Repal Apparel Private Limited ceased to be subsidiaries in the previous year.

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

- (ii) Consequent to Ibiza Industries Limited (IIL) and Sunanda Industries Limited (SIL) which have gone under liquidation in the earlier years, the Company effectively has no control over IIL and SIL. Hence, in accordance with the requirements of AS -21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI) and Specified under section 133 of the Companies Act 2013, the same has not been consolidated.
- (iii) In case of Al Fahim Mafatlal Textile LLC , UAE - the joint venture, in the current year and the previous year, the unaudited financial information have been considered for consolidation. In view of the management their operations had no significant impact on the revenue, expenses, assets and liabilities of the Consolidated Financial Statements.

30.4 The consolidated financial statements of Mafatlal Industries Limited ("the Company")/MIL and its associates have been prepared in accordance with AS-23 on 'Accounting for Investments in Associates on Consolidated Financial Statements' as notified under the Companies (Accounting Standards) Rules, 2006. The details of such associates are as under:

Particulars		Date of Financial Statements		
Sr. No.	Associates – all incorporated in India unless otherwise stated	% holding of the Company with its subsidiaries	Current Year	Previous Year
1	Mafatlal VK Intex Limited	-	-	Ceases to be an Associate w.e.f. 25th March, 2014
2	Mafatlal Limited (Incorporated in United Kingdom)	29.83%	Refer Note (ii) below	Refer Note (ii) below
3	Sushmita Engineering and Trading Limited	-	-	Ceases to be an Associate w.e.f. 25th March, 2014
4	Mafatlal Engineering Industries Limited	22.18%	Refer Note (ii) below	Refer Note (ii) below
5	Mafatlal Global Apparel Limited (since 29.09.2012)	-	Ceases to be an Associate w.e.f 23rd March 2015	31st March, 2014
6	Repos Trading Company Limited	-	-	Ceases to be an Associate w.e.f. 25th March, 2014

Notes:

- (i) There has been no change in the percentage holding of the Company in its associates existing as at the year end 31st March 2015. Mafatlal Global Apparel Limited ceases to be an associate with effect from 23rd March, 2015.
- (ii) The financial statements of Mafatlal Limited (UK) and Mafatlal Engineering Industries Limited were not available for consolidation since they are under liquidation. In view of the Management, their operations have no significant impact on the revenue, expenses, assets and liabilities of the Consolidated Financial Statements.
- (iii) The investments of these associates have been reported at ₹1/- as the company's share of losses exceeds the carrying amount of Investments:
- Mafatlal Engineering Industries Limited
 - Mafatlal Limited U.K.
- (iv) The financial statements of Mafatlal V.K. Intex Limited, Sushmita Engineering and Trading Limited and Repos Trading Company Limited were not available in the previous year. In view of the management their operations had no significant impact on the revenue, expenses, assets and liabilities of the Consolidated Financial Statements.

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

- (v) The carrying values (A), post acquisition share in reserves and surplus as at the date of the respective financial statements (B), and carrying amount of investments as at the period end (C) are as under (figures in italics are as at previous period end):

Sr No	Associates – all incorporated in India unless otherwise stated	Carrying Values (A)	Post acquisition share in reserves and surplus as at the date of the respective financial statements (B)	Carrying amount of investments as at the year end
1	Mafatlal Limited (Incorporated in United Kingdom)	84.52	(84.52)	-
		<i>84.52</i>	<i>(84.52)</i>	-
2	Mafatlal Engineering Industries Limited	162.44	(162.44)	-
		<i>162.44</i>	<i>(162.44)</i>	-
3	Mafatlal Global Apparel Limited (Represents Goodwill of ₹ 41.98 lacs upto previous year) (ceases to associate w. e.f. 23.03.2015)	-	-	-
		<i>124.00</i>	<i>(124.00)</i>	-
	Total	246.96	(246.96)	-
		<i>370.96</i>	<i>(370.96)</i>	-

Figures in () represents loss

* Amount represents full rupees.

30.5 As legally advised, the Company has not recognized as income recovery of rent and other charges of ₹ 83.61 lacs upto 31st March, 2015 (₹ 83.61 lacs upto previous year), pending final resolution of the legal dispute with certain ex-tenants of the property in South Mumbai. A sum of ₹ 577.89 lacs (Net) was withdrawn by the Company in accordance with the Orders passed by the Hon'able High Court of Bombay on the Civil Revision Applications filed by the ex-tenants and the said amount of ₹ 577.89 lacs has been included in other current liabilities (Refer Note no. 11 and Note no. 16).

30.6 Details on derivatives instruments and unhedged foreign currency exposures

- i. The following forward contracts positions are open as at 31 March, 2015. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets. The accounting of these transactions is stated in Note (i) of Significant Accounting Policies.

Forward exchange contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

Outstanding forward exchange contracts entered into by the Company as on 31 March, 2015

Currency	Amount	Buy / Sell	Cross currency
EURO	66,000	Buy	₹
	(NIL)		
JPY	9,136,280	Buy	₹
	(NIL)		

Note: Figures in () relates to the previous year

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

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

As at 31st March, 2015		As at 31st March, 2014	
Receivable/ Payable	Receivable/ Payable in Foreign currency	Receivable/ Payable	Receivable/ Payable in Foreign currency
₹ in lacs	(Amount in Foreign currency) (₹ in lacs)	₹ in lacs	(Amount in Foreign currency) (₹ in lacs)
Receivable			
1926.42	USD 30.83	721.34	USD 11.68
88.13	EURO 1.24	128.28	EURO 1.53
533.28	JPY 1000.00	NIL	NIL
66.04	AED (DHIRAMS) 3.88	NIL	NIL
-	-	6.33	CHF 0.09
Payable			
186.61	USD 2.99	187.70	USD 3.08
0.71	EURO 0.01	4.37	EURO 0.05

₹ in lacs

Note	Particulars	Current Year	Previous Year
30.7	Details of research and development expenditure recognised as an expense		
	Employee benefits expense	55.29	53.77
	Consumables	6.95	4.58
	Repairs and Maintenance	12.79	-
	Depreciation and amortisation expenses	65.76	24.69
	Total	140.79	83.04
	Capital Expenditure	332.91	319.71

- 30.8** The remuneration of Shri V. P. Mafatlal, Vice-Chairman and Shri Rajiv Dayal, Managing Director & Chief Executive Officer (Professional Director) was approved by the members by way of a special resolution passed at the Annual General Meeting ('AGM') held on 31st July, 2013. Due to inadequate profits during the year 2013-14, the total managerial remuneration of ₹ 232.07 lacs (Shri V. P. Mafatlal – ₹ 114.79 lacs and Shri Rajiv Dayal – ₹ 117.28 lacs) paid to the above executive directors is in excess of the limits specified under Section 198, 349 & 350 of the Companies Act, 1956 by ₹ 78.61 lacs. The said excess payment has already been approved by the members by way of special resolution at Annual General Meeting held on 5th August, 2014 and as required by law, necessary application has been made to the Central Government in this regard.

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

₹ in lacs

		Current Year	Previous Year
30.9	(a) Project Development expenses capitalised during the year:		
	Stores and Spares	-	421.43
	Power and Fuel	-	258.37
	Salaries and Wages	-	129.81
	Total Cost	-	809.61
	Less : Trial Run recovery	-	(467.08)
	Total	-	342.53
	(b) Finance and other borrowing costs capitalised in CWIP	128.88	-

30.10 In an earlier year, the Company had sold part of its leasehold land at its Mazgaon unit. The Company is required to surrender the remaining leasehold land (reserved portion admeasuring about 27,287.82 square meters) to Municipal Corporation of Greater Mumbai for the purpose of extension of V.J.B. Udyan. The Company is also required to recommence the spinning unit which can accommodate 10,000 spindles. By virtue of the agreement, the developer will construct a structure and hand it over to the Company.

30.11 Pursuant to the demerger of the Real Estate and Investment Business to Sulakshana Securities Limited (SSL) in 2002, the shareholders of the Company are to be issued one equity share of ₹ 10/- each, fully paid-up, in SSL for every 500 shares of ₹ 100/- each, fully paid-up, held in the Company as consideration for the demerger, aggregating to ₹ 1.00 lac. 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 lac from NFIL on behalf of the shareholders, which is pending disbursement upon completion of formalities.

30.12 During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has aligned the useful life of its assets with those specified in Schedule II except in case of plant and machinery in whose case the life of the assets has been assessed based on technical advice. Further, assets individually costing ₹ 5,000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets. The details of previously applied depreciation method, rates / useful life are as follows:

Asset	Previous depreciation method	Previous depreciation rate / useful life	Revised useful life based on SLM
Factory Buildings	SLM	3.34% - 29 years	30 years
Non Factory Buildings	SLM	1.63% - 61 years	30-60 years
Computers and Data Processing Equipment	SLM	16.21% - 6 years	3 years
Plant and Machinery (triple shift basis)	SLM	10.34% - 9 years	9.5 years
Furniture and Fixtures	SLM	6.33% - 15 years	10 years
Office Equipment	SLM	4.75% - 21 years	5 years
Vehicles	SLM	9.5% - 10 years	8 years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 111.57 lacs (net of deferred tax of ₹ 57.45 lacs) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is lower by ₹ 633.85 Lacs consequent to the change in the useful life of the assets.

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

Note 31 Disclosures under Accounting Standards

₹ in lacs

Note	Particulars	Current Year	Previous Year
31.1	Details of leasing arrangements		
	As Lessor:		
	The Company has entered into non cancellable operating lease arrangements for certain premises. The tenure of such agreements ranges from eleven to sixty months.		
	Future minimum lease payments		
	not later than one year	446.80	226.87
	later than one year and not later than five years	1,444.74	807.97
	Total	1,891.54	1,034.84
	Depreciation recognised on the leased assets	1.00	4.05
	Accumulated Depreciation on the leased assets	16.30	15.30
	As 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 9 years and may be renewed for a further period upto 3 years based on mutual agreement of the parties. The lease agreements provide for an increase in the lease payments upto 15% every 3 years. There are no sub-leases.		
	Future minimum lease payments		
	not later than one year	298.29	285.43
	later than one year and not later than five years	1,422.43	1,203.16
	later than five years	86.17	581.67
	Total	1,806.89	2,070.26
	Lease payments recognised in the Statement of Profit and Loss	321.64	307.22

₹ in lacs

Note	Particulars	Current Year	Previous Year
31.2	Earnings per share		
	Net Profit for the year attributable to the equity shareholders	2,383.92	2,252.31
	Weighted average number of equity shares outstanding during the year (Refer Note below)	13,912,886	13,912,886
	Par value per share	10.00	10.00
	Earnings per share - Basic and Diluted	17.13	16.19
	Note : Weighted average number of equity shares outstanding during the year:		
	Equity shares at the beginning of the year	13,912,886	9,813,471
	Add : Shares issued/ to be issued pursuant to scheme of amalgamation (refer note no.3 (e) (i))		4,099,415
	Weighted average number of shares	13,912,886	13,912,886

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

31.3 Segment Information

The Company has identified business segment as its primary segment and geographic segment as its secondary segment. The Company operates solely in the Textile business segment.

Particulars

Secondary segment reporting for geographic segment on the basis of location of customers is as under:

Geographic Segment	Revenues for the year ended 31st March, 2015	Segment assets As at 31st March, 2015	Additions to fixed assets during the year ended 31st March, 2015	Revenues for the year ended 31st March, 2014	Segment assets As at 31st March, 2014	Additions to fixed assets during the year ended 31st March, 2014
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
Within India	87,631.70	73,615.92	2,585.55	80,471.48	64,567.80	8,335.58
Outside India	13,713.93	2,629.80	1.35	11,507.31	922.14	4.29
Total	101,345.63	76,245.72	2,586.90	91,978.79	65,489.94	8,339.87

31.4 Employee benefit plans

a) Defined contribution plans

Contributions are made to Recognized Provident Fund / Government Provident Fund and Family Pension Fund which covers all regular employees. Contribution is also made in respect of executives to a Recognized Superannuation Fund. While both the employees and the Company make predetermined contributions to the Provident Fund, contribution to the Family Pension Fund and Superannuation Fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. The Company recognised during the year ₹ 420.80 lacs (Previous year ₹ 417.38 lacs) as Provident Fund Contribution, ₹ 166.43 lacs (Previous year ₹ 141.49 lacs) as Super Annuation Contribution & ₹ 75.97 lacs (Previous year ₹ 60.59 lacs) as Pension Fund Contribution.

b) Defined benefit plans

Contributions are made to a Recognized Gratuity Fund in respect of gratuity based upon actuarial valuation done at the year end of every financial year using "Projected Unit Credit" method and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

The charge on account of provision for gratuity has been included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

	₹ in lacs	
Particulars	Current Year	Previous Year
Components of employer expense		
Current service cost	120.96	145.59
Interest cost	252.08	231.22
Expected return on plan assets	(182.20)	(171.59)
Actuarial losses/(gains)	344.74	(418.70)

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

₹ in lacs

Particulars	Current Year	Previous Year
Total expense recognised in the Statement of Profit and Loss	535.58	(213.48)
Actual contribution and benefit payments for the year		
Actual benefit payments	431.69	95.14
Actual contributions	953.16	18.86
Net Liability recognised in the Balance Sheet		
Present value of defined benefit obligation	(3,022.85)	(2,694.45)
Fair value of plan assets	2,848.91	2,094.25
Unrecognised past service costs	-	-
Net Liability recognised in the Balance Sheet	(173.94)	(600.20)
Change in defined benefit obligations (DBO) during the year including of amalgamated companies		
Present value of DBO at beginning of the year	(2,694.45)	(2,812.60)
Current service cost	(120.96)	(145.59)
Interest cost	(252.08)	(231.22)
Actuarial (gains) / losses	(387.04)	399.82
Benefits paid	431.69	95.14
Present value of DBO at the end of the year	(3,022.85)	(2,694.45)
Change in fair value of assets during the year including of amalgamated companies		
Plan assets at beginning of the year	2,094.25	1,980.06
Contributions		-
Expected return on plan assets	182.20	171.59
Actual company contributions	953.16	18.86
Actuarial gain	42.30	18.88
Benefits paid	(423.01)	(95.14)
Plan assets at the end of the year	2,848.91	2,094.25
Actual return on plan assets	224.50	190.47
Composition of the plan assets is as follows:		
Government bonds	43.58%	42.73%
PSU bonds	31.72%	34.77%
Others	0.47%	0.62%
Insurer Managed Funds	11.07%	17.53%
Deposits with Nationalised Banks	13.16%	4.35%
Various Debt Instruments	-	-

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

₹ in lacs

Particulars	Current Year	Previous Year
Actuarial assumptions		
Discount rate	7.90% - 8.08%	9.31% - 9.36%
Expected return on plan assets	8.70%	8.70%
Salary escalation	4.00%	4.00%
Attrition	2.00%	2.00%
Mortality tables	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Estimate of amount of contribution in the immediate next year	384.05	350.52

Experience adjustments

₹ in lacs

Gratuity	Current Year ended 31st March, 2015	Previous Year 31st March, 2014	Previous Year 31st March, 2013	Previous Period (9 months ended 31st March, 2012)	Previous Period (13 months ended 30th June, 2011)
Experience gain / (loss) adjustments on plan liabilities	117.09	153.09	281.08	274.99	131.94
Experience gain / (loss) adjustments on plan assets	42.30	18.88	49.76	111.58	0.42

Long term Compensated absences

	Current Year	Previous Year
Actuarial assumptions		
Discount rate	7.90% - 8.08%	9.31% - 9.36%
Salary escalation	4.00%	4.00%
Attrition	2.00%	2.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

All the employees are eligible for compensated absences of 30 days in each financial year which can be encashed during the tenure of employment. Employees cannot carry forward any compensated absences in excess of 300 days. The provision for these absences, made on the basis of Actuarial Valuation on "Projected Unit Credit" method is ₹ 657.30 lacs (Previous year ₹ 647.16 lacs). Net charge for the year ₹ 261.09 lacs (Previous year ₹ 166.78 lacs).

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

Note 31.5

Related Parties transactions

Details of Related Parties

A Associates

Mafatlal Global Apparel Limited (upto 23.03.2015)

B Key managerial personnel

Rajiv Dayal

V. P. Mafatlal

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

NOCIL Limited

Navin Fluorine International Limited

Sulakshana Securities Limited

Krishnadeep Housing Development Private Limited

Mafatlal Impex Private Limited

Mafatlal Fabrics Private Limited

Aureole Clothing Private Limited

D Individual having significant influence

H.A. Mafatlal (since 29.05.2013)

E Relatives of Individual having significant influence

Priyavrata H. Mafatlal (since 29.05.2013)

F Enterprises over which Individual having significant influence and relatives of such individuals are able to exercise significant influence.

Sukarma Investments Private Limited

Suremi Trading Private Limited

Silvia Apparel Limited

Mafatlal Global Apparel Limited (since 24.03.2015)

Altamount Product and Services Private Limited

Details of transactions with related parties during the year:

(₹ in lacs)

Nature of Transactions	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which Key Managerial Personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individuals are able to exercise significant influence.	Total
Other Operating Revenues								110.74
								119.54
Sulakshana Securities Limited	-	-	-	10.35	-	-	-	10.35
	-	-	-	15.44	-	-	-	15.44
NOCIL Limited	-	-	-	15.73	-	-	-	15.73
	-	-	-	13.81	-	-	-	13.81

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

(₹ in lacs)

Nature of Transactions	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which Key Managerial Personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individuals are able to exercise significant influence.	Total
Krishnadeep Housing Development Private Limited	-	-	-	7.65	-	-	-	7.65
	-	-	-	11.97	-	-	-	11.97
Navin Fluorine International Limited	-	-	-	77.01	-	-	-	77.01
	-	-	-	78.32	-	-	-	78.32
Rent from Property (Income)								3.15
								0.66
Krishnadeep Housing Development Private Limited	-	-	-	0.66	-	-	-	0.66
	-	-	-	0.66	-	-	-	0.66
Mafatlal Fabrics Private Limited	-	-	-	2.49	-	-	-	2.49
	-	-	-	-	-	-	-	-
Interest Income								43.46
								40.89
Mafatlal Global Apparel Ltd	-	-	-	-	-	-	19.52	19.52
	-	-	-	-	-	-	-	-
Mafatlal Impex Pvt Ltd.	-	-	-	11.33	-	-	-	11.33
	-	-	-	15.30	-	-	-	15.30
Sukarma Investments Private Limited	-	-	-	-	-	-	10.24	10.24
	-	-	-	-	-	-	14.72	14.72
Suremi Trading Private Limited	-	-	-	-	-	-	2.37	2.37
	-	-	-	-	-	-	10.87	10.87
Dividend Income								168.61
								166.72
NOCIL Ltd	-	-	-	138.22	-	-	-	138.22
	-	-	-	138.22	-	-	-	138.22
Navin Fluorine International Limited	-	-	-	30.39	-	-	-	30.39
	-	-	-	28.50	-	-	-	28.50
Reimbursement of Expenses								-
								0.45
Navin Fluorine International Limited	-	-	-	-	-	-	-	-
	-	-	-	0.45	-	-	-	0.45
Purchase of Goods & Services								44.18
								19.57

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

(₹ in lacs)

Nature of Transactions	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which Key Managerial Personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individuals are able to exercise significant influence.	Total
Mafatlal Global Apparel Limited	-	-	-	-	-	-	43.91	43.91
	19.29	-	-	-	-	-	-	19.29
Navin Fluorine International Limited	-	-	-	0.27	-	-	-	0.27
	-	-	-	0.28	-	-	-	0.28
Sale of Goods & Services								0.13
								160.18
Mafatlal Impex Pvt Ltd.	-	-	-	0.06	-	-	-	0.06
	-	-	-	0.25	-	-	-	0.25
Suremi Trading Private Limited	-	-	-	-	-	-	0.07	0.07
	-	-	-	-	-	-	-	-
Mafatlal Global Apparel Limited	-	-	-	-	-	-	-	-
	159.93	-	-	-	-	-	-	159.93
Remuneration								284.58
								250.47
Priyavrata H. Mafatlal	-	-	-	-	-	22.97	-	22.97
	-	-	2.92	-	-	15.47	-	18.39
Vishad P. Mafatlal	-	125.81	-	-	-	-	-	125.81
	-	114.79	-	-	-	-	-	114.79
Rajiv Dayal	-	135.80	-	-	-	-	-	135.80
	-	117.29	-	-	-	-	-	117.29
Sitting Fees								0.90
								0.80
H.A. Mafatlal	-	-	-	-	0.90	-	-	0.90
	-	-	-	-	0.70	-	-	0.70
Vishad P. Mafatlal	-	-	-	-	-	-	-	-
	-	0.10	-	-	-	-	-	0.10
Commission to Non-whole time director								-
								1.87
H.A. Mafatlal	-	-	-	-	-	-	-	-
	-	-	-	-	1.87	-	-	1.87
Redemption of Preference Shares								-
								3,000.00
Navin Fluorine International Limited	-	-	-	-	-	-	-	-
	-	-	-	3,000.00	-	-	-	3,000.00

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

(₹ in lacs)

Nature of Transactions	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which Key Managerial Personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individuals are able to exercise significant influence.	Total
Sale of assets/ Sale of Uniforms								5.77
								5.51
Navin Fluorine International Limited	-	-	-	5.77	-	-	-	5.77
	-	-	-	5.51	-	-	-	5.51
Sale of Investments to								-
								1.10
Aureole Clothing Private Limited				-				-
				1.10				1.10
Loan given								9.25
								35.50
Mafatlal Global Apparel Limited	-	-	-	-	-	-	-	-
	25.00	-	-	-	-	-	-	25.00
Silvia Apparel Limited	-	-	-	-	-	-	9.25	9.25
	-	-	-	-	-	-	10.50	10.50
Repayment of Loan by Companies								487.50
								18.92
Mafatlal Global Apparel Limited	-	-	-	-	-	-	244.00	244.00
	-	-	-	-	-	-	-	-
Sukarma Investments Private Limited	-	-	-	-	-	-	82.00	82.00
	-	-	-	-	-	-	-	-
Suremi Trading Private Limited	-	-	-	-	-	-	106.50	106.50
	-	-	-	-	-	-	-	-
Mafatlal Impex Pvt Ltd.	-	-	-	55.00	-	-	-	55.00
	-	-	-	-	-	-	-	-
Mafatlal Fabrics Private Limited	-	-	-	-	-	-	-	-
	-	-	-	18.92	-	-	-	18.92
Advance given								-
								10.28
Sulakshana Securities Limited	-	-	-	-	-	-	-	-
	-	-	-	10.28	-	-	-	10.28
Advance refunded								-
								0.10
Sulakshana Securities Limited	-	-	-	-	-	-	-	-
	-	-	-	0.10	-	-	-	0.10

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

(₹ in lacs)

Nature of Transactions	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which Key Managerial Personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individuals are able to exercise significant influence.	Total
Advance taken								-
								155.06
Navin Fluorine International Limited	-	-	-	-	-	-	-	-
	-	-	-	155.06	-	-	-	155.06
Interest w/off								-
								7.87
Mafatlal Global Apparel Limited	-	-	-	-	-	-	-	-
	7.87	-	-	-	-	-	-	7.87
Advance Repaid								-
								166.73
Navin Fluorine International Limited	-	-	-	-				-
	-	-	-	166.73				166.73
Advance write off / adjusted against provision of doubtful Loans and advances including interest accrued								151.05
								40.62
Silvia Apparel Limited	-	-	-	-	-	-	151.05	151.05
	-	-	-	-	-	-	-	-
Repos Trading Company Limited	-	-	-	-	-	-	-	-
	1.42	-	-	-	-	-	-	1.42
Mafatlal V K Intex Limited	-	-	-	-	-	-	-	-
	1.50	-	-	-	-	-	-	1.50
Aureole Clothing Private Limited	-	-	-	-	-	-	-	-
	-	-	-	37.70	-	-	-	37.70
Provision for doubtful loans & advances during the year								9.25
								10.50
Silvia Apparel Limited				-			9.25	9.25
				-			10.50	10.50
Credit notes accounted (Sales)								-
								163.48
Mafatlal Global Apparel Limited	-	-	-	-	-	-	-	-
	163.48	-	-	-	-	-	-	163.48

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

(₹ in lacs)

Nature of Transactions	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which Key Managerial Personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individuals are able to exercise significant influence.	Total
Equity shares issued to (Refer Note no. 30.3)								-
								384.93
Navin Fluorine International Limited	-	-	-	-	-	-	-	-
	-	-	-	177.46	-	-	-	177.46
Sukarma Investments Private Limited	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	83.92	83.92
Suremi Trading Private Limited	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	17.09	17.09
Altamount Product and Services Private Limited	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	106.46	106.46
Provision for doubtful Loans & Advances - as at March 31, 2015								-
								141.80
Silvia Apparel Limited		-	-	-	-	-	-	-
		-	-	-	-	-	141.80	141.80
Amount due from - as at March 31, 2015								948.19
								1,557.24
NOCIL Limited	-	-	-	0.73	-	-	-	0.73
	-	-	-	1.09	-	-	-	1.09
Mafatlal Impex Private Limited (Advances)	-	-	-	267.25	-	-	-	267.25
	-	-	-	310.92	-	-	-	310.92
Mafatlal Global Apparel Limited (Loans)	-	-	-	-	-	-	-	0.00
	244.00	-	-	-	-	-	-	244.00
Mafatlal Global Apparel Limited (Trade Receivable)	-	-	-	-	-	-	288.64	288.64
	288.64	-	-	-	-	-	-	288.64
Rajiv Dayal (Loan)	-	79.57	-	-	-	-	-	79.57
	-	83.76	-	-	-	-	-	83.76
Krishnadeep Housing Development Private Limited	-	-	-	13.50	-	-	-	13.50
	-	-	-	12.63	-	-	-	12.63
Sukarma Investments Private Limited	-	-	-	-	-	-	175.74	175.74

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

(₹ in lacs)

Nature of Transactions	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which Key Managerial Personnel and their relatives are able to exercise significant influence	Individual having significant influence	Relatives of Individual having significant influence	Enterprises over which Individual having significant influence and relatives of such individuals are able to exercise significant influence.	Total
	-	-	-	-	-	-	247.50	247.50
Silvia Apparel Limited				-			-	-
				-			141.80	141.80
Suremi Trading Private Limited	-	-	-	-	-	-	122.76	122.76
	-	-	-	-	-	-	226.90	226.90
Amount due to - as at March 31, 2015								0.07
								-
Navin Fluorine International Limited	-	-	-	0.07	-	-	-	0.07
	-	-	-	-	-	-	-	0.00

Figures in Italics represents previous year

Additional Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Note	Particulars				
32	Name of the entity in the Parent Company	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent					
	Mafatlal Industries Limited	99%	36,599.29	100.00%	2387.83
Subsidiaries					
Indian					
	Mafatlal Services Limited	-1%	(261.29)	0%	-
Joint Ventures (as per proportionate consolidation)					
Foreign					
	Al Fahim Mafatlal Textiles LLC	0%	(25.77)	0%	(3.91)

Note 32 Previous year's figures

32.1 The Company has not made any remittances in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances in foreign currencies on account of dividends have been made by or on behalf of non-resident shareholders. The particulars of dividends paid to non-resident shareholders are as follows:

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

	Year ended 31 March, 2015	Year ended 31 March, 2014
Year to which Dividend relates	2013-14	2012-13
Number of non-resident shareholders	173	150
Number of shares held by them on which dividend is due	55,380	57,942
Amount remitted to bank accounts in India of non-resident shareholders - ₹ in lacs	1.66	2.90

32.2 Details of Loan Given and Investment made covered u/s 186(4) of the Companies Act, 2013**(i) Loans given in Current Year**

(₹ in lacs)

Name of Party	Purpose	Amount
Silvia Apparel Limited	Loan	9.25

(ii) Investment made in Current Year

(₹ in lacs)

Name of Party	Amount
Janata Sahkari Bank Limited, Pune	25.05
The Shamrao Vithal Co-operative Bank Ltd.	0.03

33.1 Additional Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(₹ in lacs)

Name of the entity in the Parent Company	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<u>Parent</u>				
Mafatlal Industries Limited	100.74%	36,651.45	100.16%	2387.84
<u>Subsidiaries</u>				
Indian				
Mafatlal Services Limited	-0.59%	(214.19)	0.00%	-
Minority Interest in a subsidiary	-	-	-	-
<u>Joint Ventures (as per proportionate consolidation)</u>				
Foreign				
Al Fahim Mafatlal Textiles LLC	-0.15%	(53.27)	-0.16%	(3.92)

Note 1: Refer note 30.3 for subsidiaries which are not consolidated.

Note 2: Refer note 30.4 for associates which are not consolidated.

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

33.2 Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of the subsidiary and the joint venture.

I Part "A" Subsidiary

		(₹ in lacs)
Srl no.	Name of the Subsidiary Company	Mafatlal Services Limited
		(Subsidiary)
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2014 to 31.03.2015
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the each of foreign subsidiaries	₹
3	Share capital	310.00
4	Reserves & surplus	(270.87)
5	Total assets	53.94
6	Total Liabilities	14.80
7	Investments	-
8	Turnover	23.55
9	Profit before taxation	-
10	Provision for taxation	-
11	Profit after taxation	-
12	Proposed Dividend	-
13	% of shareholding	88%

1. Names of subsidiaries which are yet to commence operations: None

2. Names of subsidiaries which have been liquidated or sold during the year: None

II Part "B" Joint Venture

Statement pursuant to section 129 (3) of the companies Act 2013 related to Joint Venture.

		(₹ in lacs)
Srl no.	Name of the Joint Venture	Al Fahim Mafatlal Textile LLC
		(Joint Venture)
1	Latest audited Balance sheet Date	31st December, 2013
2	Share of Joint Venture held by the company on the year ended No. of Shares	147 Shares
	Amount of investment in Joint Venture	22.73
	Extend of Holding %	49%
3	Description of how there is significant influence	By virtue of 49% shareholding in Memorandum of Understanding

Notes forming part of Consolidated Financial Statements for the year ended 31st March, 2015

		(₹ in lacs)
Srl no.	Name of the Joint Venture	Al Fahim Mafatlal Textile LLC
		(Joint Venture)
4	Reason why the joint venture is not consolidated.	Not Applicable
5	Net worth attributable to shareholding as per latest audited Balance	(38.33)
6	(Loss) for the year	(8.00)
I	Considered in Consolidation	(3.92)
I	Not Considered in Consolidation	(4.08)

Note for 33.2 (II) Part B Joint Venture :

Information in Row 5 and 6 (I) is as proportionate to the holding of 49% and as per unaudited financial statements for the year ending 31st March 2015.

- 33.3** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

H. A. Mafatlal
Chairman

V. P. Mafatlal
Vice Chairman

A. A. Karanji
Company Secretary

R. Y. Dayal
Managing Director &
Chief Executive Officer

M. D. Pandya
Chief Financial Officer

P. R. Amin
N. K. Parikh
P. N. Kapadia
L. P. Pradhan
G. G. Chakravarti
S. A. Shah

Directors

Mumbai, 30th May, 2015



MAFATLAL INDUSTRIES LIMITED

FORM NO MGT-11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN L17110GJ1913PLC000035

Name of the Company : MAFATLAL INDUSTRIES LIMITED

Registered Office (w.e.f. 01.06.2015) : 301-302, Heritage Horizon, 3rd Floor, Off: C G Road, Navrangpura, Ahmedabad 380009. Email: ahmedabad@mafatlals.com
Website: www.mafatlals.com Tel: 079 – 26444404-06 Fax: 079 26444403

Name of the Member(s) :	
Registered Address :	
E mail Id :	
Folio No / Client ID:	
DP ID :	

I / We, being the member(s) of the above named Company, hereby appoint:

- (1) Name Address.....
Email ID Signature..... or failing him/her
- (2) Name Address.....
Email ID Signature..... or failing him/her
- (3) Name Address.....
Email ID..... Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 101st Annual General Meeting of the Company, to be held on Wednesday, 12th August, 2015 at 10.00 a.m. at J. B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastapur, Ahmedabad-380 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTION NOS.

ORDINARY BUSINESS

- Adoption of Directors' Report, Audited Financial Statements (consolidated & standalone both) for the year ended 31st March, 2015 and Auditors' Report thereon
- Declaration of Dividend on Equity Shares for the year 2014-15
- Re-appointment of Shri A. K. Srivastava who retires by rotation.
- Appointment of Auditors and fixing their remuneration.

SPECIAL BUSINESS

- Appointment of Smt. Latika Pradhan as Independent Director
- Appointment of Shri Gautam Chakravarti as Independent Director
- Appointment of Shri Sujal Shah as Independent Director
- Appointment of M/s. Sorab S. Engineer & Co., Chartered Accountants, Mumbai as Branch Auditors and to fix their remuneration.
- Appointment of M/s. C. C. Chokshi & Co., Chartered Accountants, Ahmedabad as the Branch Auditors and to fix their remuneration.
- Approval for the Managerial Remuneration paid to Shri V. P. Mafatlal, Executive Vice- Chairman for the year 2014-15 including excess remuneration paid.
- Approval for the Managerial Remuneration paid to Shri Rajiv Dayal, MD & CEO for the year 2014-15 including excess remuneration paid.
- Approval for payment of remuneration to Shri I. V. Jagtiani, Cost Accountant, Mumbai as Cost Auditor of the Company for the year 2015-16
- Approval for payment of remuneration to Shri B. C. Desai, Cost Accountant, Ahmedabad as Cost Auditor of the Company for the year 2015-16

Signed this _____ day of _____ 2015.

Signature of the Shareholder

Signature of Proxy holder(s)

Affix Re.1
Revenue
Stamp

Note: This Form of Proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.





MAFATLAL INDUSTRIES LIMITED

CIN L17110GJ1913PLC000035

Registered Office (**w.e.f. 01.06.2015**): 301-302, Heritage Horizon, 3rd Floor, Off: C G Road,
Navrangpura, Ahmedabad 380009.

Tel. 079 – 26444404-06, Fax: 079 26444403,

Website: www.mafatlals.com Email: ahmedabad@mafatlals.com

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. Joint shareholders may obtain additional attendance slips on request. (Folio Nos., DP ID*, Client ID* & Name of the Shareholder / Joint holders / Proxy in BLOCK LETTERS to be furnished below).

Shareholder / Proxy holder	DP ID*	Client ID*	Folio	No. of Shares held

I hereby record my presence at the 101st Annual General Meeting of the Company, held on **Wednesday, 12th August, 2015 at 10.00 a.m. at J. B. Auditorium, Ahmedabad** Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad-380 015

SIGNATURE OF THE

SHAREHOLDER OR PROXY _____

NOTES:

- (1) Shareholders / Proxy holders are requested to bring the Attendance Slip with them when they come to the Meeting and hand it over at the gate after affixing their signature on it.
- (2) Shareholders are requested to advise, indicating their Folio Nos. DP ID*, Client ID*, the change in their address, if any, to the Registrar & Share Transfer Agents, at Sharepro Services (India) Pvt. Ltd., Samhita Warehousing Complex, 2nd Floor, Gala No. 52-56, Building No. 13A-B, Near Sakinaka Telephone Exchange, Andheri-Kurla Road, Sakinaka, Mumbai-400072.

*Applicable for investors holding shares in Electronic (Demat) Form.





www.sapprints.com

MAFATLAL
FABRICS

MAFATLAL
SUITINGS

EL ROMANO™
PREMIUM SHIRTINGS

M MAFATLAL
DENIMS

SCHOOL UNIFORM

Trendz
FORMALS & CASUALS

Mafatlal
HOME FASHION

CORPORATE
UNIFORM

Shalini
WOMENS COLLECTION