MAFATLAL INDUSTRIES LIMITED

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Tel. 079-26444404–06, Fax : 079 26444403
Corp. Off. : Mafatlal House, 5th Floor, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai – 400 020.
Tel. 91 022 6617 3636, Fax : 91 022 6635 7633
CIN : L17110GJ1913PLC000035 Website : www.mafatlals.com

July 6, 2023

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001

BSE Code: 500264

Dear Sir,

Sub: 109th Annual Report together with the Notice of the Annual General Meeting (AGM) for the Financial Year 2022-2023.

Pursuant to Regulation 30 and 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Annual Report of the Company for the Financial Year 2022-2023 along with the Notice of 109th Annual General Meeting (AGM).

The 109th Annual General Meeting (AGM) of the Company will be held on **Thursday, August 3, 2023, at 12.00 Noon (IST)** through Video Conferencing (VC) / Other Audio Visual Means (OAVM), in conformity with the regulatory provisions and the Circulars issued by the Ministry of Corporate Affairs, Government of India.

The aforesaid Annual Report, AGM Notice and e-voting instructions are also being uploaded on the Company's website www.mafatlals.com.

This is for your information and record.

Thanking you,

Yours faithfully,
For Mafatlal Industries Limited
AMISH KUMAR SHAH
Digitally signed by AMISH KUMAR SHAH
Date: 2023.07.06 19:07:08 +05'30'
Amish Shah
Company Secretary
Encl.: as above

Cherishing 100 Years of Shri Arvind Mafatlal

Arvind Mafatlal Group
The ethics of excellence

Transitioning Today Transforming Tomorrow

Mafatlal Industries Limited

109th Annual Report

2022-23

ACROSS THE PAGES

Investor Information

Market Capitalization as of March 31, 2023	: ₹ 289.73 Crores
CIN	: L17110GJ1913PLC000035
BSE Code	: 500264
ISIN	: INE270B01035
109th AGM Thursday, August 3rd, 2023, 12:00 noon	

Disclaimer: This document contains statements that are forward-looking about expected future events and the financials of Mafatlal Industries Limited. By their nature, forward-looking statements require our Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several 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 Discussion and Analysis section of this Annual Report.

Scan this QR code to navigate investor-related information

An electronic version of this report is available online at: **https://www.mafatlals.com/investors/**

EMPOWERING TRANSITION THROUGH PIONEERING VISION

Tribute to Shri Arvind Mafatlal

During the year 2023, we are celebrating and honouring the 100th birth anniversary of Shri Arvind Mafatlal,

A Gentleman Industrialist, Fearless Visionary, Compassionate Humanitarian and Humble Philanthropist.

Shri Arvind Mafatlal, a luminary in the realm of Indian industrial giants, was born on October 27, 1923. Radiating brilliance, fortified by steadfast discipline, and fuelled by visionary thinking, he transformed the Mafatlal Group, and elevated it as one of India's largest mill owners and business houses. His courage and perseverance have etched an indelible path for the Mafatlal Group to tread upon, scripting a journey of resounding success.

His visionary outlook expanded into petrochemicals, plastics, rubber chemicals, information technology and engineering. Known for unwavering integrity, he earned stakeholders' trust and was revered as a compassionate leader ensuring fairness for all.

Driven by determination and innovation, he established NOCIL (National Organic Chemical Industries Limited), a ground-breaking venture challenging the conventional norms and PIL (Polyolefins Industries Limited) elevating India's global stature.

During his lifetime he gave his heart and soul for alleviating the suffering of the under privileged. He focussed on rural development, women's empowerment, post-disaster rehabilitation, and vital healthcare for the masses, specifically eyecare.

In 1967, a transformative encounter with Shri Parampujya Ranchoddasji Maharaj reshaped his life's purpose. During challenges, Shri Arvind Mafatlal drew strength from his Guru's teachings, exemplifying love and faith. Founded on selfless service, the Shri Sadguru Seva Sangh Trust and Bharatiya Agro and Industrial Foundation (BAIF) became the outlets for implementing his most cherished social initiatives.

On October 30, 2011, he departed, leaving us with his determination and forward-thinking approach that continues to inspire and guide us. Today, the thriving success of the Group stands as a testament to Shri Arvind Mafatlal's conviction and enduring values, paying homage to his remarkable legacy.

Theme Introduction

TRANSITIONING TODAY. TRANSFORMING TOMORROW.

Step into a captivating journey of Mafatlal Industries, where a century-long legacy intertwines with India's extraordinary journey of growth and progress. From playing a pivotal role in shaping the nation's destiny during the fight for independence to triumphing through turbulent global crisis, the story of Mafatlal Industries reflects resilience, adaptability, and persistent commitment.

Since our establishment in 1905, we have weathered the storms of history.

As the world plunged into the darkness of World War I, our single mill stood strong, sowing the seeds of transformation.

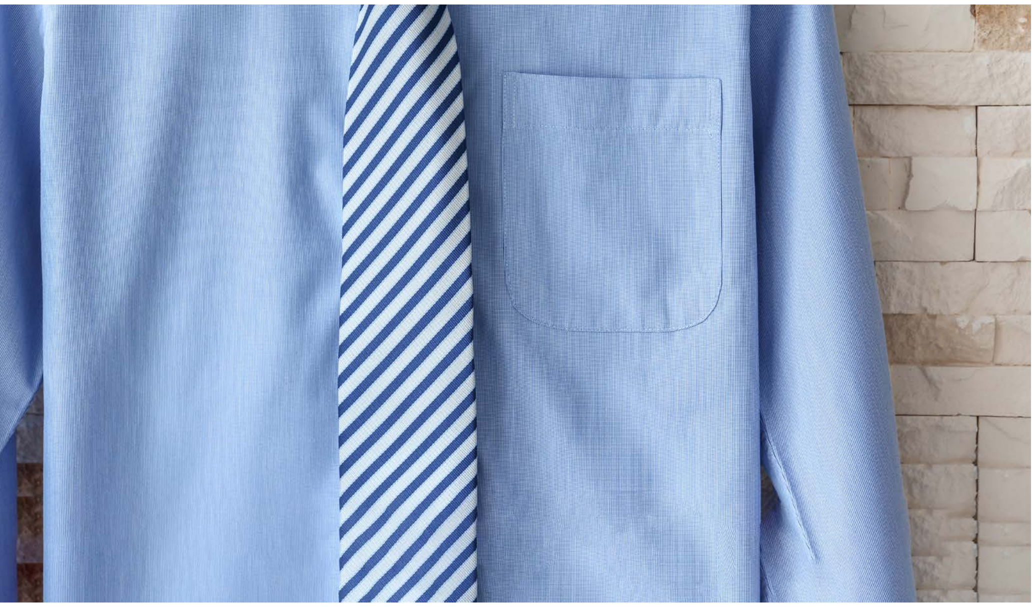
The journey continued, and by the end of World War II, our Company had blossomed into a powerful force with six mills, a testament to our ability to thrive amid global challenges.

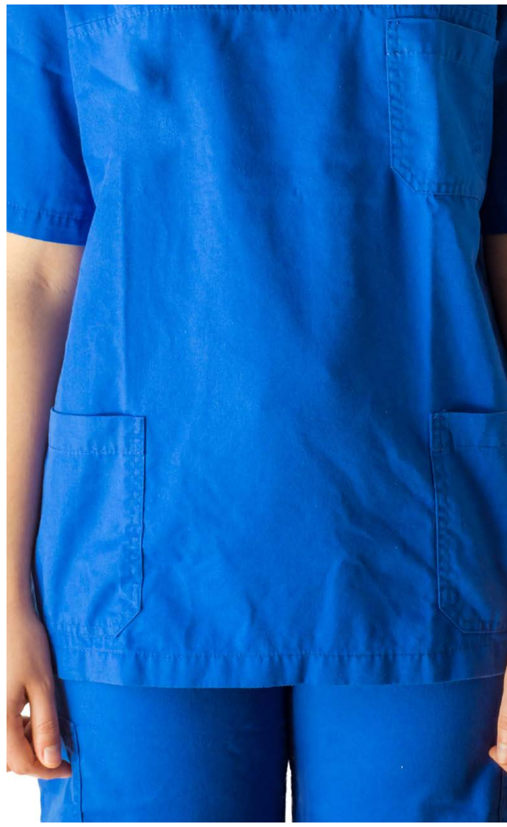
During the Indo-Pak War in 1971, our erstwhile Navsari mill became a beacon of strength, producing 5 Lakhs meters of camouflage fabric at an astounding pace for our Army. Guided by the visionary Mr. Arvind Mafatlal every fibre we produced reflected our commitment to excellence and our devotion to our motherland.

Throughout our journey, we have wholeheartedly embraced our Indian roots, recognizing that we are not only pioneers in industry but also custodians of culture. Our co-sponsorship of Ramanand Sagar's iconic television series 'Ramayana' resonated with the soul of India, celebrating our heritage and fostering unity.

As the winds of change sweep across industries and technology reshapes the world, Mafatlal Industries stands at the forefront of transition. With a firm commitment to transforming lives, we build upon our rich legacy, while marching ahead into a future brimming with potential.

Today, we invite you to be a part of our remarkable journey. Welcome to the Mafatlal Industries' Annual Report, where we celebrate the spirit of Transitioning Today, as we pave the way for Transforming Tomorrow.





Transforming through the Years

SCRIPTING A TRANSFORMATIVE JOURNEY

1905

- Founded by Mr. Mafatlal Gagalbhai, the first textile mill in Ahmedabad, India was established

1912-1931

- Purchased four more textile mills across Gujarat and Mumbai

1945-1954

- Continued to invest heavily in cotton textile mills and system modernization, becoming the largest mill owner in India

1954

- Mr. Arvind Mafatlal, grandson of Mr. Mafatlal Gagalbhai, took over the reigns of the Group

1955-1990

- Commenced on a journey of diversification under the leadership of Mr. Arvind Mafatlal, the Group ventured into diversified sectors, including Chemicals, Information Technology, Plastics, Finance, and Engineering, among others, thereby cementing its position as one of India's pioneering conglomerates.
- Forged business partnerships and JVs with global giants like Shell, Hoechst, and Monsanto

1990-2000

- Mr. Hrishikesh Mafatlal, son of Mr. Arvind Mafatlal took over the reigns of the Group
- Consolidated the Group's position further in Chemicals, Gas Distribution and Textiles, including an entry into Denim manufacturing with a JV with USA's Burlington Industries

2011

- Launched uniform range in corporate and school uniform segment
- Expanded capacity and modernized Nadiad and Navsari mills

2019

- Mr. Priyavrata Mafatlal, son of Mr. Hrishikesh Mafatlal took over the reigns of the Company
- Started Mafatlal Healthcare division to cater the Health & Hygiene industry
- Moved into supplying non-woven textile products, such as disposable masks, gloves, and PPE kits, among others during the Covid-19 pandemic

2022-23

- Forayed into education led technology and service space with new technology division
- Recorded highest revenue and profits under the leadership of Mr. Priyavrata Mafatlal

MD's Message

MANAGING DIRECTOR'S COMMUNIQUE

We firmly believe that business success is driven by human relationships and the people behind them. This belief permeates all levels of our organization, from our employees to our interactions with business partners, including dealers and clients.

Dear Shareholders,

I am pleased to present the 2022-23 Annual Report of Mafatlal Industries Limited, a milestone year for our Company and family. Celebrating our 118th year of existence and honouring the 100th birth anniversary of my grandfather, Mr. Arvind Mafatlal holds immense significance for us.

As we cherish our 118-year legacy in the textile industry, we are particularly grateful considering that many of our peers have unfortunately had to cease operations over time. Our continued success is attributed to our adherence to the principles instilled by my grandfather, showcasing true resilience and the ability to adapt to the ever-changing times.

Keeping Mr. Arvind Mafatlal's vision intact, we have proactively pursued dynamic endeavours to stay abreast of changes and propel ourselves forward. By embracing strategic pivots crucial for our sustenance and implementing them gradually, we have changed our fortunes. In recent years, we have undertaken strategic decisions to transition and transform ourselves.

These initiatives encompass the following key strategies:

One significant step has been transitioning to an outsourcing led business model to drive growth. Textile manufacturing is highly capital intensive and has high operating leverage required for driving growth. Hence, a few years ago, we took the strategic step of downsizing and closing our denim manufacturing operations which was highly capital-intensive giving low returns. The outsourcing led model gives us a lot of flexibility, allowing us to rapidly widen our product portfolio beyond traditional textiles and enter spaces like healthcare & personal hygiene. By integrating our manufacturing within the broader supply chain through outsourcing, we achieve greater stability and enhance our ability to pursue growth opportunities.

Next, to boost efficiency and streamline operations, we have implemented workforce right-sizing measures to increase productivity and reducing overheads. Additionally, we have recalibrated our management team, bringing fresh perspectives and expertize to navigate the evolving business landscape and guide our Company towards long-term success.

Another significant step has been monetization of our non-core assets, enabling us to reduce debt to a sustainable level, which has substantially improved all our financial ratios through much lower debt servicing obligations.

Finally, through internal segmental restructuring, including the merger of smaller segments, consolidation of the sales force, and the establishment of a second line of Management, combined with ongoing efforts to diversify our product portfolio by entering new sectors such as technology and addressing the health and hygiene needs of Indian consumers, we are making significant progress. These strategic initiatives are aimed to optimize resource utilization, streamline systems, and align with our broader growth vision.

These strategic initiatives have allowed us to transition effectively today, while focusing on transforming tomorrow.

This positioning equips us for the future and instils the confidence to explore new markets and opportunities, capitalize on market trends, and continue our successful journey.

As a result of these initiatives, we have witnessed a positive turnaround in profitability and improved returns. Our financial position has strengthened, setting the stage for sustainable growth.

Industry Overview

Drawing upon our deep industry expertize, we firmly believe that the Indian textile industry has matured over time and still holds immense potential, with an expected CAGR of around 17.41% between 2022-23 and 2026-27. The sector boasts a diverse value chain encompassing fibres to ready-made garments, with sub-segments continually emerging.

Given our financial resurgence and stability, we are strategically positioned to leverage the opportunities presented by this sector. Our focus on expanding partner networks and adopting sustainable practices enable us to navigate challenges and capitalize on growth drivers. Factors such as increasing demand for fibre, rising per capita consumption, competitive production opportunities, the need for sustainable products, and the emergence of newer sectors are going to shape the industry's growth. By staying responsive to market trends, optimizing production processes, and prioritizing sustainability, we are well-positioned for continued success in the evolving business landscape.

Financial Data

As mentioned earlier, our strategic rejig has translated into financial turnaround, positioning us stronger for future success. Our Revenue grew by 33% in the year 2022-23, increasing from ₹ 1,06,376 Lakhs in the previous year to ₹ 1,41,562 Lakhs in the current year led by a strong performance in the School Uniform Segment fuelled by back-to-normal demand in the market, execution of large institutional orders for traditional textile garments, and a growth in the Health & Hygiene Segment on the strength of good product quality, strong institutional demand and improved traction in direct consumer demand. Profit after tax increased to ₹ 3,748 Lakhs in the year 2022-23, from ₹ 2,929 Lakhs in the previous year, driven by substantial growth in revenue, lower interest cost and lower exceptional items of expenses such as compensation under VRS. Consequently, return on capital employed increased to 8.26% from 7.64%.

People-Centric Philosophy

We firmly believe that business success is driven by human relationships and the people behind them. This belief permeates all levels of our organization, from our employees to our interactions with business partners, including dealers and clients. Our people-centric approach has been fundamental to our century-long success, and we remain committed to creating value for stakeholders, while fostering a supportive work environment. Our lower-than-industry-average attrition rate, decreasing average employee age, and conducive policies are testament to our dedication to our workforce and enduring relationships with our employees, their families, and our industry partners.

Future Prospects

Moving forward, we set our focus firmly on maximizing the benefits derived from our strategic decisions over the past few years. We aim to drive increased productivity and efficiency across all our businesses.

At Mafatlal Industries Limited, we are fully committed to creating value for all our esteemed stakeholders, who have placed their trust in us. We are committed to sustainable growth and long-term success by combining responsible business practices with a focus on profitability. Our renewed structure establishes a solid foundation for unlocking value across our entire business.

We aim to drive increased productivity and efficiency for all our strategic business units.

Drawing inspiration from the enduring legacy of Mr. Arvind Mafatlal and his commitment to serve the community and creating value for the society, we acknowledge the paramount importance of responsible growth in today's world. Hence, we wholeheartedly dedicate ourselves to achieving it through responsible business practices.

Upholding values such as integrity, transparency, and inclusivity, we aim to contribute meaningfully to society. We extend our heartfelt thanks to all our stakeholders for their continued support. As we envision the future of our Company, we take pride in having a resilient and motivated workforce. By maintaining this momentum, we continue to make a significant impact and transition today to transform our tomorrow.

Together, we look forward to a future where Mafatlal Industries Limited thrives and continues to make a difference in the lives of individuals and communities alike.

Regards,

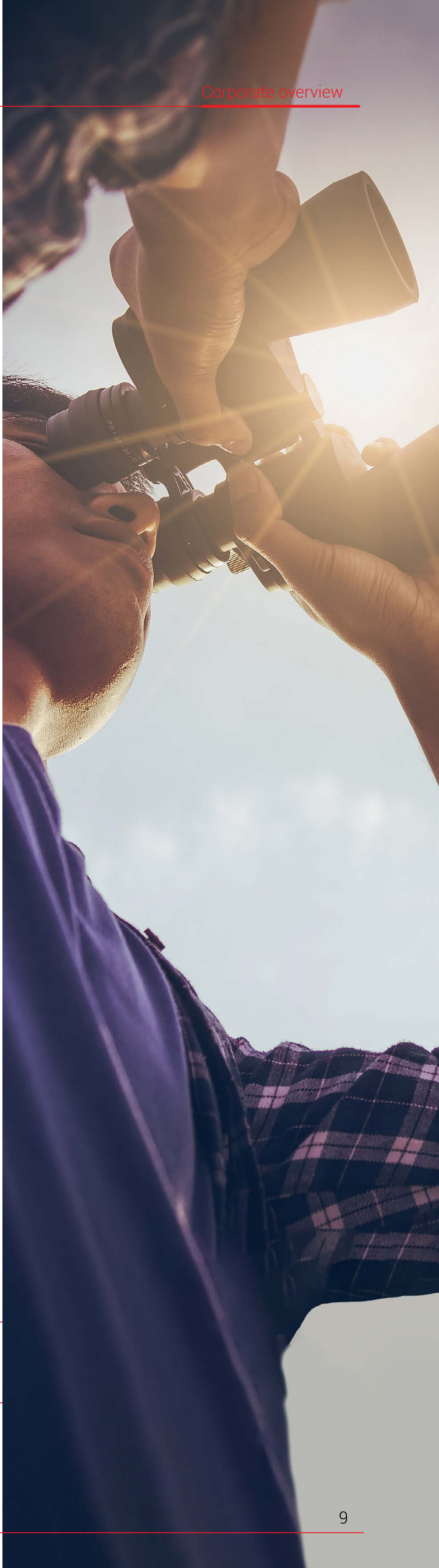
Priyavrata H. Mafatlal
Managing Director

Corporate Overview

TRANSITIONING TODAY FOR A BRIGHTER TOMORROW

Mafatlal Industries, with a rich history dating back to 1905, seamlessly blends tradition and technology to conquer market volatility. From pioneering Ahmedabad's first textile mill to becoming the nation's third-largest, our founder, Mr. Mafatlal Gagalbhai, built a legacy on passion and service. Under the leadership of Mr. Arvind Mafatlal, we diversified, while maintaining a focus on textiles and chemicals. Through our strategic endeavours, we consistently harness the power of change to shape a brighter future. By embracing our current transition and maintaining our focus on transforming our tomorrow, we pave a path towards continued progress and prosperity.

Today, guided by Chairman Mr. Hrishikesh Mafatlal and Managing Director Mr. Priyavrata Mafatlal, we forge ahead with ambitious plans and a strong focus on customer-centricity. Offering a diverse portfolio of superior products, our firm commitment to excellence propels us as industry leaders.



OUR STRENGTHS

Transforming Management:
Guiding the Company into the Future

Embracing an Outsourcing-led Asset Light Model:
Paving the Way for Success

Expanding Horizons:
Offering a Spectrum of Products

Empowering and Engaging Workforce:
Driving Success Together

OUR MISSION AND VALUES

The Company has remained dedicated to its mission of delivering best-in-class products and services to customers across the globe, catering to individuals from every walk and stage in life, for every occasion. This guiding principle has propelled the Company towards excellence, as it continues to prioritize the diverse needs of its customers. By adopting a customer-centric approach, the Company strives to uphold the highest standards and provide exceptional experiences that align with their unique requirements, preferences, and occasions.

PRODUCT OFFERINGS

- Garments
- School Uniform
- Traditional Textiles
- Health & Hygiene
- Education-led Technology

Business Model

CREATING VALUE THROUGH STRATEGIC TRANSFORMATION

Mafatlal Industries has successfully transitioned from a manufacturing-led to an outsourcing-driven business model, creating a reliable and robust supply chain. The transformative journey encompassed a strategic approach to reducing debt levels through the sale of non-core assets. By embracing a debt-light and asset-light approach, we have improved profitability and enhanced working capital utilization, thereby delivering maximum value to stakeholders and ensuring sustained long-term growth. With a clear objective in mind, these decisions were taken to strengthen our Company's preparedness for the future and foster a solid foundation for sustainable growth.

TRANSFORMATIVE JOURNEY

To enhance returns and embrace market changes, we strategically diversified our product offerings. Our diversification went beyond the traditional textile products, including a foray into the technology segment, while maintaining existing segments.

Through the strategic divestment of non-core assets, our Company accomplished the repayment of secured loans. This led to a substantial decrease of ₹ 1,842.14 Lakhs in secured debt, bringing it down to ₹ 9,360.11 Lakhs. This strategic move exemplifies our commitment to maintaining a robust balance sheet and upholding financial discipline, ultimately enhancing value for our esteemed shareholders.

By strategically reshuffling our leadership, we navigated a transformative path to success. Our commitment to efficiency and adaptability is demonstrated through the reduction of workforce from 3,485 in March 2015 to 1,121 as of March 2023.

With a century's worth of wisdom, we are confident that our expansion into new markets will ensure long-term profitability and success, creating value for all stakeholders.

ASSET-LIGHT MODEL

By implementing an asset-light business model, our Company has yielded significant benefits, including a decrease in working capital needs and a reduction in recurring investments in fixed assets. Consequently, our returns have improved. Moreover, our strategic partnerships, underpinned by stringent adherence to standardized operating procedures (SOPs), enable us to consistently deliver high-quality products. This approach enhances our agility and adaptability to swiftly respond to the evolving market landscape.

BENEFITS DERIVED

The strategic decisions we have implemented have enabled us to transition to a business model that optimizes return on capital employed (ROCE) by reducing working capital and debt. These measures position us for growth, adaptation, and prosperity in today's dynamic business landscape.

Our enduring presence over the past 100 years exemplifies our strong dedication to creating long-term value. With a steadfast dedication to longevity, we strive to maximize value for all stakeholders. By consistently delivering on this commitment, we earn the trust and confidence of our stakeholders, fostering sustainable growth and enduring success.

SETTING THE STAGE

Our strategic pivots have fortified our ability to proactively respond to market trends instead of passively reacting to them. This has laid a robust foundation for experiencing exponential growth in the future. As we approach the threshold of reaping the rewards of these decisions, we remain resolute in our pursuit of sustainable growth.

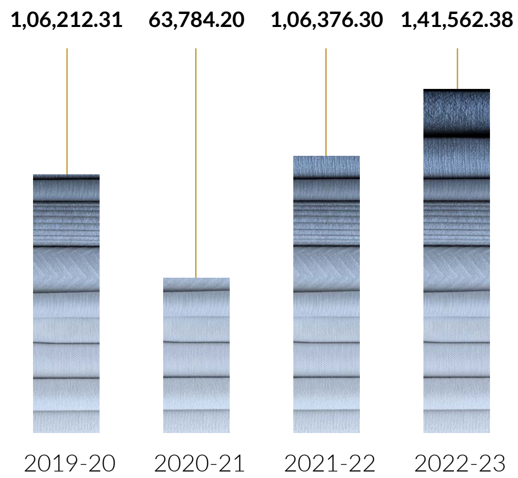
Financial Overview

TURNING RESILIENCE INTO ROBUST NUMBERS

Over the last couple of years, Mafatlal Industries has achieved a remarkable financial turnaround in the face of challenges. This turnaround has been facilitated by strategic pivots aimed at enhancing returns and profitability in the forthcoming years. Our Company has displayed a consistent ability to adapt to the ever-evolving business landscape, and the promising performance reflected in our financials is a testament to our resilience. By implementing streamlined processes, we have emerged triumphant, and our primary focus remains on transitioning today, while driving the transformative changes required for a successful tomorrow.

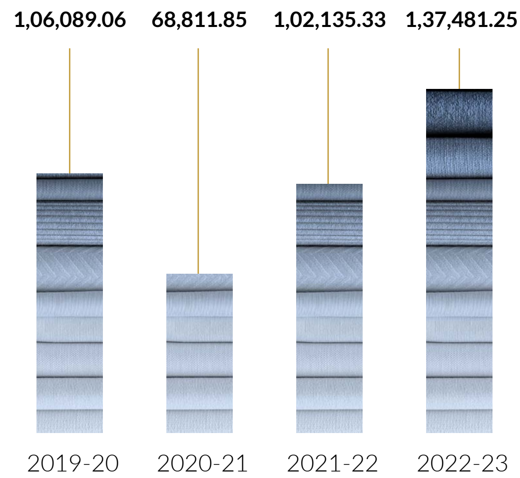
TOTAL SALES

₹ In Lakhs



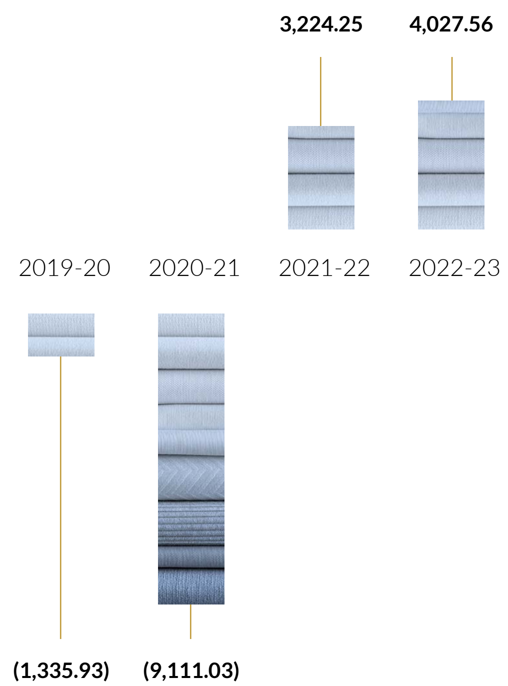
TOTAL EXPENSES

₹ In Lakhs



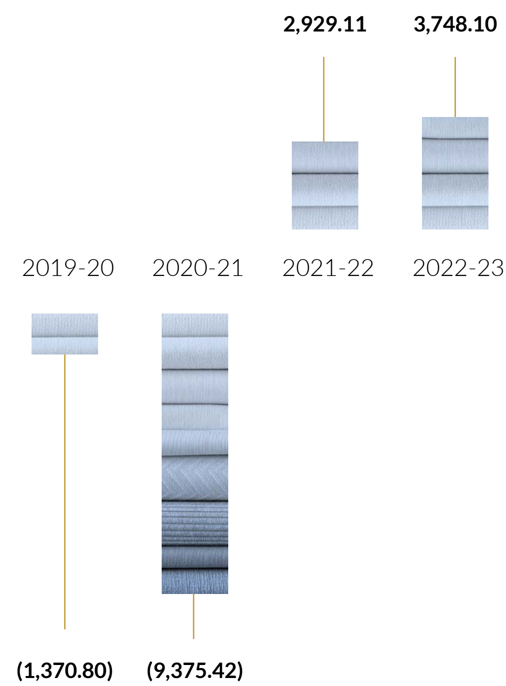
PROFIT BEFORE TAX

₹ In Lakhs



PROFIT AFTER TAX

₹ In Lakhs



Governance

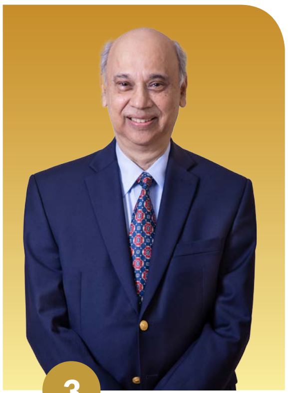
NAVIGATING TRANSITION WITH RESPONSIBLE GOVERNANCE

1

Mr. Mafatlal is the Chairman and promoter director of the Company. He leads the Arvind Mafatlal Group (AMG). Mr. Mafatlal earned an honours degree in commerce from Mumbai's Sydenham College in 1975. He has studied Advanced Management Programme (AMP) at Harvard Business School in the United States in 1993. For 12 years (1995–2007), he served on the Board of Governors of IIM Ahmedabad and Vice Chairman of the Cotton Textiles Export Promotion Council (TEXPROCIL) and currently also Chairman and promoter director of NOCIL Limited.

2

Mr. Mafatlal is the Managing Director of the Company. He is the son of Mr. Hrishikesh A. Mafatlal, the Company's Chairman. Mr. Priyavrata Mafatlal possesses a B.M.S. in Marketing Management and an M. Com. (Marketing) from Mumbai University. He has studied Owner Management Programme at Harvard Business School in the United States and Emerging Leaders' Programme at IIM Ahmedabad. He has more than 15 years of rich experience in manufacturing, marketing and general management.



3

Mr. Gupte is a Chartered Accountant with over 55 years of multifaceted corporate experience spanning Finance, Legal and Commercial areas. He has hands-on experience of Mergers and Acquisitions and Financial Restructuring. Presently Mr. Gupte is a Business Solutions Consultant and is also on the Board of NOCIL Ltd. (an AMG Company).

4

Mr. Kapadia is a senior partner in Vigil Juris, advocates and solicitors, Mumbai and has an experience of over 49 years in the legal field. He is on the Board of various other companies. By qualification, he is B.A., LLB. He is advocate and solicitor.

1

Mr. Hrishikesh A. Mafatlal
Promoter & Chairman
(DIN: 00009872)

2

Mr. Priyavrata H. Mafatlal
Managing Director
(DIN: 02433237)

3

Mr. Vilas R. Gupte
Independent Director
(DIN: 00011330)

4

Mr. Pradip N. Kapadia
Independent Director
(DIN: 00078673)

5

Mr. Srivastava has an experience of over 46 years in large corporates, in the areas of Finance, Accounting, Taxation and Commerce. He is a Science Graduate and a Fellow Chartered Accountant - B. Sc (Hons), FCA.

6

Mr. Shah has an experience of over 32 years in the fields of Valuation, Due Diligence, Corporate Restructuring, Audit and Advisory. He is a commerce graduate and member of the Institute of Chartered Accountants of India.

7

Mrs. Pradhan has an experience of over 42 years in various industries, heading finance, legal and secretarial, internal audit and information technology functions. She is a qualified chartered accountant, cost and management accountant, company secretary and Bachelor of Laws. In the past, she has been associated with Voltas Limited, Blue Star Limited, Cummins Group, Parke Davis India Limited and Pidilite Industries Limited in various capacities.

8

Mr. Chakravarti has an experience of over 47 years in the fields of Procurement, Internal Audit, Business Controller, leading an Exports SBU, Mergers and Acquisitions. He is Masters in Economics & MBA from IIM Ahmedabad. He has studied Executive development programs with Wharton Business School, USA and MIT, USA. He has been associated with well-known Indian corporates houses such as Mahindra & Mahindra, Reliance Communications, Bilcare Ltd, Hindustan Unilever Ltd and Blackstone Capital Partners.

5

Mr. Atul K. Srivastava
Independent Director
(DIN: 00046776)

6

Mr. Sujal A. Shah
Independent Director
(DIN: 00058019)

7

Mrs. Latika Pradhan
Independent Director
(DIN: 07118801)

8

Mr. Gautam Chakravarti
Independent Director
(DIN: 00004399)

Our Financial Highlights

SUMMARIZED FINANCIAL DATA

Particulars	2013 - 14	2014 - 15	2015 - 16
	1	2	3
PROFIT & LOSS ACCOUNT			
Total income	93,549.12	1,04,469.00	1,34,465.93
Profit before depreciation, interest, exceptional items and tax	4,610.45	5,018.17	6,119.18
Exceptional items	736.77	898.63	-
Finance costs	(1,489.45)	(1,684.05)	(2,116.12)
Depreciation, amortization and impairment	(1,834.60)	(1,671.14)	(2,119.18)
Profit before tax	2,023.17	2,561.61	1,883.88
Profit after tax	2,393.38	2,437.49	1,712.38
Dividend (₹ per share)	3	3	3
Basic earning per share (EPS) of ₹ 2/- each	3.44	3.50	2.46
BALANCE SHEET			
Net fixed assets	17,273.65	20,091.35	22,256.58
Investments	4,865.37	4,788.97	4,794.09
Current assets (Net)*	23,154.29	25,157.03	33,129.64
Miscelleanous exps not W/Off	-	-	-
Total application of funds	**45,293.31**	**50,037.35**	**60,180.31**
Borrowings	10,571.81	13,492.29	22,425.23
Net worth:			
Share capital	1,391.22	1,391.22	1,391.22
Reserves	33,330.28	35,153.84	36,363.86
Total net worth:	34,721.50	36,545.06	37,755.08
Total sources of funds	**45,293.31**	**50,037.35**	**60,180.31**
Book value per equity share (₹)	49.91	52.53	54.27
(Face value - ₹ 2/- per share)			
Debt / Equity ratio	0.30	0.37	0.59
Operating EBITDA (%)	5%	5%	5%
Profit after tax (%)	3%	2%	1%
Return on net worth (%)	7%	7%	5%
Return on capital employed (%)	8%	8%	7%

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

Figures are stated as per the Annual Report of 2022 - 2023.

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

(₹ in Lakhs)

2016 - 17	2017 - 18	2018 - 19	2019 -20	2020 -21	2021 - 22	2022- 23 #
4	5	6	7	8	9	10
1,28,068.39	1,20,049.63	1,05,457.89	1,06,212.31	63,784.20	1,06,376.30	1,41,562.38
5,503.97	2,524.30	(3,030.72)	4,984.52	(1,112.32)	7,667.43	7,389.06
(869.94)	-	(8,361.80)	(1,459.18)	(4,083.38)	(1,016.72)	(53.57)
(2,620.14)	(3,108.54)	(3,018.86)	(3,143.29)	(2,210.27)	(1,859.39)	(1,771.75)
(2,705.59)	(3,610.59)	(3,595.66)	(1,717.98)	(1,705.06)	(1,567.07)	(1,536.18)
(691.70)	(4,194.82)	(18,007.04)	(1,335.93)	(9,111.03)	3,224.25	4,027.56
(214.53)	(4,177.82)	(18,007.04)	(1,370.80)	(9,375.42)	2,929.11	3,748.10
3	-	-	-	-	-	-
(0.31)	(6.01)	(25.89)	(1.97)	(13.48)	4.19	5.32
29,717.02	30,194.49	13,572.34	13,567.92	11,188.13	9,417.16	9,246.41
6,221.29	50,188.18	37,408.65	16,868.30	44,473.38	63,371.01	52,549.63
25,996.16	22,817.54	20,415.15	12,994.29	5,379.05	7,008.68	9,026.48
-	-	-	-	-	-	-
61,934.47	**1,03,200.21**	**71,396.14**	**43,430.51**	**61,040.56**	**79,796.85**	**70,822.52**
24,393.92	23,359.75	20,697.16	14,974.62	14,377.53	11,202.25	9,360.11
1,391.22	1,391.22	1,391.22	1,391.22	1,392.37	1,407.07	1,411.89
36,149.33	78,449.24	49,307.76	27,064.67	45,270.66	67,187.53	60,050.52
37,540.55	79,840.46	50,698.98	28,455.89	46,663.03	68,594.60	61,462.41
61,934.47	**1,03,200.21**	**71,396.14**	**43,430.51**	**61,040.56**	**79,796.85**	**70,822.52**
53.97	114.77	72.88	40.91	67.02	97.50	87.06
0.65	0.29	0.41	0.53	0.31	0.16	0.15
4%	2%	(3%)	5%	(2%)	7%	5%
0%	(3%)	(17%)	(1%)	(16%)	3%	3%
(1%)	(5%)	(36%)	(5%)	(20%)	4%	6%
3%	(1%)	(21%)	4%	(5%)	8%	8%

Corporate Information

CORPORATE INFORMATION

Caution/Forward-looking statements

This Annual Report (containing all the reports and information) may contain forward looking information to enable the investors to comprehend our prospects and take informed investment decisions. This report and other statements- written as well as the oral- that we periodically make, contain forward-looking statements that sets out anticipated results based on the management's plans and assumptions. We have tried, wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'hopefully', 'optimistic', 'likely', 'projects', 'intends', 'plans', believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risk or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

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

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing paperless compliance by companies and has issued circulars stating that service of notice / documents including the Annual Report can be sent by email to its members. To support this green initiative of the MCA in full measure, members who have not registered their email addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants (DP).

Board of Directors

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

Audit Committee

Mr. V. R. Gupte	Chairman
Mr. S. A. Shah	Member
Mrs. L. P. Pradhan	Member
Mr. G. G. Chakravarti	Member

Stakeholders Relationship Committee

Mr. A. K. Srivastava	Chairman
Mr. H. A. Mafatlal	Member
Mr. P. N. Kapadia	Member

Nomination and Remuneration Committee

Mr. P. N. Kapadia	Chairman
Mr. V. R. Gupte	Member
Mr. G. G. Chakravarti	Member

Corporate Social Responsibility Committee

Mr. H. A. Mafatlal	Chairman
Mr. A. K. Srivastava	Member
Mr. S. A. Shah	Member

Corporate Office

Mafatlal House, 5th Floor, H.T. Parekh Marg, Backbay Reclamation, Mumbai – 400020, Maharashtra, India.

Tel: +91-22-6617 3636

Chief Executive Officer (CEO)

Mr. M. B. Raghunath

Chief Financial Officer (CFO)

Mr. Milan P. Shah

Company Secretary (CS)

Mr. Amish P. Shah

Auditors

Price Waterhouse Chartered Accountants LLP

Solicitors

Vigil Juris, Mumbai

Registered Office

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

Email: ahmedabad@mafatlals.com

Tel: 079 - 26444404-06

Plants

Kapadvanj Road, Nadiad-387 001, Gujarat

MIDC, Kupwad, Taluka: Miraj, District: Sangli, - 416436 Maharashtra

Registrar & Share Transfer Agents

KFin Technologies Ltd., Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032, Telangana, India

E-mail: einward.ris@kfintech.com

website: www.kfintech.com

Tel: 18002094001

Investor Relations Centre

KFin Technologies Ltd.

(1) Ahmedabad Office

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

Email id: ahmedabadmfd@kfintech.com

Tel: 9081903021/9081903022

(2) Mumbai Office

6/8 Ground Floor Crossely House, Near BSE Ltd. Next Union Bank, Fort, Mumbai 400001

Email id: mumbaimfd@kfintech.com

Tel: 022-66235353

NOTES

1. As mandated by the Securities and Exchange Board of India ("SEBI"), securities of the Company can be transferred / traded only in dematerialized form. Members holding shares in physical form are advised to avail the facility of dematerialization.
2. The Shares of the Company are listed on BSE Ltd, and the Listing Fee for the Exchange has been paid by the Company for the year 2023-24.
3. Shareholders are requested to notify change in postal address, e-mail address, mobile number, PAN, nomination, bank details such as name of the bank and branch, bank account number, IFS Code etc if any, immediately to the Registrar & Share Transfer Agent at the above address mentioning their Folio Numbers, along with valid proof of their new address.
4. Shareholders are requested to download their copy of the Annual Report from the Company's website www.mafatlals.com under "Investors" Section, which is available for download by shareholders.
5. Shareholders who want to speak at the AGM are required to get themselves registered by following the instructions provided therefor.
6. Shareholders can express their views and submit questions/ queries in advance from their registered e-mail address, mentioning their name, DPID and Client ID number/folio number and mobile number at the Company's investor desk at ahmedabad@mafatlals.com at least 7 (Seven) days before the date of the Meeting so that the information required may be made available at the Meeting.
7. Dividend for the FY 2015-16 is liable to transfer in the Investor Education and Protection Fund (IEPF) Account. Shareholders are requested to claim unpaid and unclaimed dividend before the transfer to IEPF account.
8. Instructions for E-Voting, attending the 109th Annual General Meeting through Video Conferencing (VC/ OAVM), and other instructions, are posted on Company's website www.mafatlals.com and also provided at the end of this Annual Report. The same is also sent to concerned shareholders whose email id is registered with us.

List of Important Days and Dates:

Commencement of remote E-Voting	From 9.00 a.m. on Monday July 31, 2023.
End of remote E-Voting	Till 5.00 p.m. on Wednesday August 2, 2023.
109th Annual General Meeting (AGM)	On Thursday August 3, 2023 at 12.00 noon through Video Conferencing (VC/OAVM).
Book Closer	Friday July 28, 2023 to Thursday August 3, 2023.
Cut-off date	Thursday July 27, 2023.
Voting at AGM:	At the AGM – digital voting will be allowed to shareholders who have not voted in remote E-Voting as per permitted norms.
Declaration of Voting Result:	Voting Result will be announced within 48 Hours of conclusion of the 109th AGM. (Voting Results will be posted on Company's & BSE website).

NOTICE

NOTICE is hereby given that the 109th Annual General Meeting of the Company will be held on **Thursday, August 3, 2023 at 12.00 noon** through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated, both) for the financial year ended March 31, 2023 together with report of the Board of Directors & Auditors thereon.
2. To appoint a Director in place of Mr. Hrishikesh A. Mafatlal (DIN: 00009872) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

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

   "RESOLVED THAT in accordance with the provisions of Section 148 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, (including any statutory modifications(s) or re-enactment thereof for the time being in force) the payment of Remuneration of ₹ 4,37,500/- (Rupees four Lakhs thirty seven thousand five hundred only) (plus taxes and re-imbursement of out-of-pocket expenses incurred by him for the purpose of Audit) to M/s. B. Desai & Co. Cost Auditor, (Firm Registration No. 005431), for conducting the audit of Cost Accounting Records relating to the products 'Textiles' manufactured and traded by the Company for the Financial Year 2023-24 be and is hereby approved and ratified."

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

   "RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with applicable rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and subject to the approval of the Registrar of Companies, the consent of the Members of the Company be and is hereby accorded for altering the Object Clause being Clause III of the Memorandum of Association of the Company by substituting therein the existing sub-clause (3) (6), (7) and (33) by the following as sub-clauses (3), (6), (7) and (33).

   "(3)(a) Providing to assist the individuals, companies, bodies corporate, firms or Public Sector Undertakings or local government bodies or State Governments or Central Government including Defense Department or Local Bodies or any other government services related to Information Technology (IT), Information Technology Enabled Services (ITES) and non-Information Technology (Non-IT) areas including production, supply, services, system integration of products and development, business consultancy, application (App) development, tele call support, all type of marketing services including social media marketing, digital media marketing, mobile marketing, video conferencing, video creation, and training services, training and execution in computer hardware, software, networking services and facilitate the rural development department by providing services and consultancy in executing smart governance projects, establishing strong and smart governance, smart city projects, mobile governance services, citizen services, solid or any other waste management services, taxation support services.

   "(3)(b) To carry on the business in and out of India of providing Data Center centric mission-critical infrastructure management solutions, network connectivity and information technology (IT) services, colocation, hosting services, cloud computing infrastructure, regular backup, server load balancing, remote backup, managed IT services like messaging, shared Hosting, network and security, Storage, virtualization, managed voice services, telecom services, technology integration services and applications integration services, public, private and hybrid cloud platforms, data center operations & management and infrastructure as a service (IaaS), Platform as a Service (Paas) and disaster recovery (DR) as services, to carry on the business of design, implementation and maintenance of IT services across data centers, network and security, service desks, command centers, hosted contact centers or in any other form and to conduct, sponsor or otherwise participate in training & development programs in respect of any of the objects of the Company and for spreading or imparting the knowledge and use of data centers, & IT services including the publication of books, journals, bulletins, study / course materials, circulars and news-letters; and to undertake the business as principal, partners, agents, distributors, franchise holders, through franchisees or otherwise for trading or dealing in data center, IT product and render related services.

   "(3)(c) To manufacture, purchase, sell, develop or otherwise transfer, lease, import, export, hire, license, use, dispose of, operate, fabricate, construct, distribute, assemble, design, charter,

NOTICE (Contd.)

acquire, market, recondition, work upon or otherwise, generally deal in any electronic, electrical, mechanical and electromechanical product, machine, apparatus, appliance, custom products, merchandise, systems, software procedure, peripheral products, computers, tabulators, data processing machines and systems and components thereof, web based applications, tracking devices, tracking applications, geofencing, geotagging, surveillance products, artificial intelligence based hardware and software, electronic calculators, electric and electromechanical accounting systems, terminal products and systems, machines for registering, data preparation, recording, perforation, tabulating, sorting printing, typewriting, products which possess an internal intelligence for recognition and correlating any type of data or information to be processed, recognition and memory systems, optical scanning machine, transmission lines, transmission equipment, terminals, copying, reproducing and distributing machines, digital signing, protecting and disbursing equipment, machines for facsimile reproduction, facsimile transmission and word processing, facilities and accessories and devices of all kinds to deal in manufacturing and service machines, devices, software and goods of all kinds.

"(3)(d) To carry business of advisory, consultancy, staff augmentation, call centers, customer contact centers and to provide voice, email and chat-based customer contact service centers."

"(6) To extend the business of the Company by adding to, altering or enlarging, all or any of the buildings, Mill factories, premises and machinery for the time being the property or in the possession of the Company; also by erecting new or additional buildings on all or any of the lands for the time being the property or in the possession of the Company, and also by expanding from time to time such sums of money as may be necessary or expedient for the purposes of improving, adding to, altering, repairing and maintaining the buildings, machinery and property for the time being of the Company. To Purchase in any part of India or elsewhere from any country whatever any machinery, plant, stores, and other articles for the use of the Company for all or any of the purposes of the Company and to remove all or any of the machinery, plant and stores of the Company for the time being in or upon any lands, buildings or premises of the Company to other lands, buildings or premises wheresoever situated of the Company and-from time to time to sell and dispose of all or any portion of the machinery, plant and stores of the Company."

"(7) To carry on the business of marketing, advertising, promoting, manufacturing, trading, importing, exporting technical textiles made of all materials, consumer healthcare products, hygiene products, healthcare equipment, home care products, sanitizer, medical consumables, glycerine based products, personal care products, baby care products, feminine care products, adult care products and Incontinence, animal care products, surgical products including disposables, hospital furniture, hospital uniforms, surgical drapes and all kind of hospital drapes and consumables."

"(33) To acquire and undertake the whole or any part of the business, property and liability of any company, firm or person carrying on any business or businesses which the Company is authorised to carry on or possessed of property suitable for the purpose of the Company. To enter into any type of scheme for reorganising the business and structure of the Company including merger, demerger, any other scheme of arrangement for reorganising."

"RESOLVED FURTHER THAT Mr. H. A. Mafatlal (DIN: 00009872) Chairman, Mr. P. H. Mafatlal (DIN:02433237), Managing Director, Mr. Milan Shah, CFO and Mr. Amish Shah, Company Secretary be and are hereby individually authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution".

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

Amish P. Shah
Company Secretary
(ACS :20622)

Place: Mumbai
Date: May 30, 2023

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

NOTICE (Contd.)

NOTES

1. The Ministry of Corporate Affairs ('MCA') has, vide its circular dated April 8, 2020 read together with circulars dated April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022 and December 28, 2022 (collectively referred to as 'MCA Circulars') permitted convening the Annual General Meeting ('AGM' / 'Meeting') through Video Conferencing ("VC") or Other Audio Visual Means ('OAVM'), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the circulars issued by Bombay Stock Exchange (BSE), the AGM of the Company will be held through VC / OAVM. Generally, a member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and that the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for the appointment of proxies by the members will not be available for the AGM and hence the Proxy Forms and Attendance Slips are not annexed hereto.

2. The Register of Members and the Share Transfer Books of the Company will remain closed from **Friday, July 28, 2023 to Thursday, August 3, 2023 (both days inclusive) for the purpose of the annual closing and Annual General Meeting.**

3. The annual report, inter alia, containing the AGM Notice and other disclosures, will be uploaded on the Company's website at www.mafatlals.com under 'Investors' Section (available for free download and review from the website). The Notice of the AGM forms part of the Annual Report 2022-23 and is being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/DP in conformity with the MCA and SEBI circulars. Those members, who wish to receive a paper copy of the Annual Report, may write to us on our email: ahmedabad@mafatlals.com. The Annual General Meeting shall be held through video conferencing/other audio-visual means. However, for the purpose of record/ jurisdiction, the deemed place of the Meeting shall be the Registered Office of the Company at 301 – 302 Heritage Horizon, 3rd Floor, off. C. G. Road, Navrangpura, Ahmedabad - 380009.

4. As required under the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and other applicable provisions, E-Voting facility is being provided to the Members. Details of the E-Voting process and other relevant details are being sent to the Members along with the Notice and also provided at the end of this Annual Report.

5. Members are requested to note that pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, **all equity shares of the Company on which dividend for the year 2015-16 (declared on 102nd AGM) has not been paid or claimed for 7 consecutive years or more, shall be required to be transferred by the Company, along with the said dividend, to Investor Education and Protection Fund (IEPF) on or after September 16, 2023.** The details of the Members, who have not encashed their dividend warrants for the earlier years and whose shares are liable to be transferred to the IEPF Authority if they do not encash their dividend prior to said date, are put on the Company's website www.mafatlals.com under the 'investors" Section. Hence, Members who have not encashed their dividend warrants for the earlier year/s are advised to write to the Company and Company's Registrar & Share Transfer Agent - KFin Technologies Ltd. immediately claiming their dividends declared by the Company.

6. Pursuant to the Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with applicable Secretarial Standards issued by ICSI, the requisite information inter alia containing the remuneration paid to the Director seeking **appointment / re- appointment is as Annexure I** to this notice.

7. Route map and prominent landmark for easy location of venue of the AGM is not provided in the Annual Report since Annual General Meeting is to be held through VC/ OAVM.

8. The Registers required to be maintained under the Companies Act, 2013 and all documents referred to in the Notice will be made available for inspection. Members who seek inspection may write to us at ahmedabad@ mafatlals.com

9. It may be noted that the Company will provide the Shareholders' Cloth Discount Coupon to those members who request for the same. Shareholders may communicate on the Company's email address of ahmedabad@mafatlals.com or at the Registered Office.

10. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

NOTICE (Contd.)

11. Members holding shares in the physical form are advised to complete KYC in the prescribed form No. ISR-1 to communicate the particulars of their PAN, bank account, change of postal address, email id, mobile no and nomination on or before October 1, 2023 to our RTA i.e., KFin Technologies Limited (Unit: Mafatlal Industries Limited), Plot No. 31-32, Selenium, Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or the Secretarial Department of the Company, otherwise folio shall be frozen by the RTA. The shareholders can access the KYC status of their folio via the link https://ris.kfintech.com/clientservices/isc/default.aspx

12. As per the provisions of Section 72 of the Act, the facility for making a nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nominations are requested to register the same by submitting Form No. SH-13. If a member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form No. SH-14. Members who are either not desiring to register for Nomination or would want to opt-out, are requested to fill out and submit Form No. ISR-3. The said forms can be downloaded from the RTA's website at https://ris.kfintech.com/clientservices/isr/isr1.aspx?mode=f3Y5zP9DDNI%3d, Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the RTA in case the shares are held in physical form, quoting their folio no.

13. The Company fixed **Thursday, July 27, 2023, as the cut-off date** for determining the eligibility of Members entitled to vote at the AGM. The remote e-voting shall remain open for three days commencing from **Monday, July 31, 2023 at 9.00 a.m. to Wednesday, August 2, 2023, 5.00 p.m., (both days inclusive).**

14. Members present in the meeting through video conferencing and have not cast their vote on resolutions through remote e-voting, shall be allowed to vote through the e-voting system during the meeting.

15. In line with 'green initiatives,' the Act provides for sending the Notice of the AGM and other correspondence through the electronic mode. Hence, Members who have not registered their mail IDs with their depository participants are requested to register their email ID for receiving all our communications, including Annual Report, Notices etc., in the electronic mode. The Company is concerned about protecting the environment and utilizing natural resources in a sustainable way.

16. Members are requested to note that as per Section 124(6) of the Act, read with IEPF Rules as amended, all the shares in respect of which dividend remained unpaid/unclaimed for seven consecutive years or more, are required to be transferred to the demat account of the IEPF Authority. Consequently, the Company transferred eligible equity shares during the financial year 2021-22 to the demat account of the IEPF Authority. Members are entitled to claim the same from IEPF by submitting an application in the prescribed online web-based Form IEPF-5 available on www.iepf.gov.in and sending a physical copy of the same, duly signed, to the Nodal Officer of the Company along with the requisite documents enumerated in Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

17. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can only be transferred in a demat form with effect from April 1, 2019, except in case of a request for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for the ease of portfolio management, members holding shares in the physical form are requested to consider converting their holding to a demat form. Members can contact the Company or our RTA for assistance.

18. CS Umesh Ved, Umesh Ved and Associates, Company Secretaries, (FCS No.:4411 CP No.:2924) has been appointed as the scrutinizer to scrutinize the remote, e-voting, process before/ during the AGM in a fair and transparent manner.

19. The Scrutinizer will submit his report to the Chairman or any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 2 working days from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges on which the Company's shares are listed and will also be displayed on the Company's website at www.mafatlals.com.

20. Members are encouraged to submit their questions in advance concerning the financial statements or any other matter to be placed at the AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number, and mobile number, to reach the email address at agm.speaker@mafatlals.com **before 5.00 p.m. (IST) on Friday, July 28, 2023.** Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest, post the conclusion of the AGM.

NOTICE (Contd.)

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

IN RESPECT OF ITEM NO. 3:

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014, and other applicable provisions, if any, the Company is required to appoint a Cost Auditor for the audit of cost accounting records relating to the Textiles Products of the Company maintained in compliance of the applicable provisions. Based on recommendation of the Audit Committee, the Board of Directors has appointed M/s. B. Desai & Co. Cost Auditor, (Firm Registration No. 005431), as the Cost Auditor for conducting the cost audit for the Financial Year 2023-24 on a proposed remuneration ₹ 4,37,500/- (Rupees four lakhs thirty-seven thousand five hundred only) plus taxes and re-imbursement of out-of-pocket expenses incurred for the purpose of audit.

Accordingly, consent of the Members is sought by way of an Ordinary Resolution as set out at Item No. 3 of the Notice. The Board accordingly recommends the resolution at Item No. 3 of this Notice for the approval of the Members.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors need to be ratified and approved by the members of the Company.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in the resolution at Item No. 3 of this Notice.

IN RESPECT OF ITEM NO. 4:

Alteration of Object Clause of the Memorandum of Association of the Company

The Company is further looking forward to expanding in the segment of Information Technology (IT), Health & Hygiene related business and other businesses as mentioned in the Resolution. The Company is proposing to expand the scope of the object clause with a range of activities to cover the areas of opportunity to grow the business. The alteration in the Objects Clause of the Memorandum of Association is to facilitate diversification and versatility of business scopes. The Board of Directors in their meeting held on May 30, 2023 approved the alteration of the Object Clause in the Memorandum of Association of the Company. Accordingly, approval of the members is sought to alter the Objects Clause of the Company by passing the said special Resolution.

The new sub-clauses in the Object Clauses will replace the existing sub- clauses (3) (6) (7) and (33) in clause III of the Memorandum of Association (MoA). Copy of the Memorandum of Association of the Company is available for inspection by the members of the Company at the Registered Office of the Company on any working day during Business Hours till the date of AGM. The Amendments shall be effective upon the registration of the resolution with the Registrar of Companies. The proposed changes of object clause require approval of shareholders through Special Resolution pursuant to the provisions of Section 13 of the Companies Act, 2013. Accordingly, the consent of the Members is sought by way of Special Resolution as set out at Item No. 4 of the Notice. The Board accordingly recommends the resolution at Item No. 4 of this Notice for the approval of the Members.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in the resolution at Item No. 4 of this Notice.

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

Amish P. Shah
Company Secretary
(ACS :20622)

Place: Mumbai
Date: May 30, 2023

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

NOTICE (Contd.)

ANNEXURE I TO NOTICE

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

Name of the Director & Brief Resume / Educational qualification	Nature of Expertise in specific functional area	Disclosure of relationship with other Directors, Managers and Key Managerial Personnel or the Promoters of the Company	Names of the Listed Entities in which the person holds the directorship and membership of the committees of the Board.	Shareholding of Director in the Company	No. of Board Meetings held and attended during 2022-23
Mr. Hrishikesh A. Mafatlal (69 years) (DIN 00009872) He did his graduation in Commerce with Honors, from Sydenham College and also Completed Advance Management Programme (AMP) at Harvard Business School, USA in 1993 for 12 years (1995-2007) he served on the Board of Governors of IIM, Ahmedabad and the Vice Chairman of the Cotton Textiles Export Promotion Council (TEXPROCIL). He has been on the Board of Directors of the Company since 1979. He is Executive Chairman of the Company, and promoter Director of NOCIL Limited.	He is an Industrialist having diversified experience of more than 46 years in the areas of Textiles, Chemicals, Petrochemicals, Financial Services etc.	He is related (Father of) to Mr. Priyavrata H. Mafatlal, MD of the Company	Executive Chairman of: • Mafatlal Industries Ltd • NOCIL Limited Membership of the Committees of the Board of: **Mafatlal Industries Limited:** • Chairman of Corporate Social Responsibility Committee • Member of Stakeholders Relationship Committee • Member of Share Transfer Committee **NOCIL Limited:** • Chairman of Corporate Social Responsibility Committee • Chairman of Share Transfer Committee • Member of Stakeholders Relationship Committee • Member of Nomination and Remuneration Committee • Member of Risk Management Committee.	He holds 1,12,06,120 equity shares of the Company of ₹ 2/- each	Attended all the 8 Board meetings held.

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

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

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

Amish P. Shah
Company Secretary
(ACS :20622)

Place: Mumbai
Date: May 30, 2023

DIRECTORS' REPORT

To

The Members,

Mafatlal Industries Limited

Your Board of Directors present the 109th Annual Report together with the Audited Statement of Accounts for the financial year ended on March 31, 2023.

FINANCIAL RESULTS

The financial results of the Company are as under:

₹ in Lakhs

Particulars	Current Year 2022-23	Previous Year 2021-22
Revenue from operations	1,37,052.29	99,939.51
Other income	4,510.09	6,436.79
Total income	**1,41,562.38**	**1,06,376.30**
EBITDA	**7,389.06**	**7,667.43**
Less: Depreciation	1,536.18	1,567.07
Less: Finance costs	1,771.75	1,859.39
Profit before exceptional items [(write)off/provisions/impairment losses]	**4,081.13**	**4,240.97**
Exceptional items (net)	(53.57)	(1,016.72)
Profit before taxes	**4,027.56**	**3,224.25**
Tax (Expense) / benefits	(279.46)	(295.14)
Profit after taxes	**3,748.10**	**2,929.11**

OVERVIEW, STATE OF THE COMPANY AFFAIRS, AND THE YEAR IN RETROSPECT

The financial year 2022-23 was one of the most encouraging years in the recent past. Despite a challenging external environment led by a volatile landscape, inflation, price and cost to consumer, the Company maintained its growth trajectory. The Company delivered double-digit growth along with the highest revenue in a decade.

During the financial year under review, the Company reported a total Income of ₹ 1,41,562.38 Lakhs, an EBITDA (Earnings before Interest, Taxes, Depreciation, and Amortization) of ₹ 7,389.06 Lakhs, and a Net Profit of ₹ 3,748.10 Lakhs (including an Exceptional Loss of ₹ 53.57 Lakhs). The Company reported a 33% increase in Total Income, a 4% de-growth in EBITDA, and a growth of 28% in Net Profit aided by improved operational performance and continued non-core asset monetization initiatives.

During the financial year under review, the Company divested its investment in Vrata Tech Solutions Private Limited (VTSPL), a subsidiary company, representing 77.78% of the paid-up share capital of VTSPL for a total consideration of ₹ 407.48 Lakhs (based on fair value of equity share of VTSPL carried-out by the independent valuer).

During the financial year under review, the Company has recognized ₹ 53.57 Lakhs as expense towards compensation payable as full and final settlement to certain workers at Navsari location as an Exceptional Item.

BORROWINGS, LOANS, GUARANTEES AND INVESTMENTS

During the financial year under review, the Company repaid long-term borrowings amounting to ₹ 1,639.77 Lakhs. The Company expresses gratitude to all the banks and financial institutions for having stood by it for its growth and financing requirements.

CREDIT RATING

During the financial year under review, Acuite Ratings & Research Limited assigned the credit rating 'ACUITE BBB'- with Outlook positive for long-term facilities with a tenure of more than one year and 'ACUITE A3' (Reaffirmed) for short-term facilities with a tenure of up to one year.

During the financial year under review, Care Ratings Limited (CARE) assigned a credit rating of 'CARE BBB-' with Outlook stable for long-term facilities with a tenure of more than one year and 'CARE A3' for short-term facilities with a tenure of up to one year.

Acuite Ratings & Research Limited has upgraded the credit rating to ACUITE BBB' with outlook Stable for long-term facilities with a tenure of more than one year and 'ACUITE A3+' for short-term facilities with a tenure of up to one year on April 1, 2023.

A detailed analysis of the financial results has been provided in the Management Discussion and Analysis Report, which forms a part of this report.

DIVIDEND

In view of accumulated losses, Directors regret their inability to declare any Dividend. Also, recognizing the need for conserving cash to augment its working capital to continue the growth momentum, it would be prudent to plough back the profits for the year for the operations and not recommend any Dividend for the year under review.

UNCLAIMED DIVIDEND & INVESTOR EDUCATION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013 ('the Act') read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the IEPF Rules'), during the year, unpaid or unclaimed dividend amounting to ₹ 6,05,463/- was transferred by the Company to the Investor Education and Protection Fund ('IEPF'), established by the Government of India.

Further, a total of 6,65,495 shares were transferred to the demat account of the IEPF, in accordance with IEPF Rules, as the dividend was not paid or claimed by the shareholders for seven years. Details of the shares and dividend transferred to the IEPF account are available on the website of the Company at www.mafatlals.com/investors/

SHARE CAPITAL

During the financial year, the company has allotted an aggregate of 2,40,500 fully paid equity shares of ₹ 2/- each, under the Mafatlal Employees Stock Option Plan 2017. Consequent upon allotment of shares under the Mafatlal Employees Stock Option Plan 2017 and sub-division of equity shares of the Company from ₹ 10/- each to ₹ 2/- each, the paid up share capital increased from ₹ 14,07,13,860/- consisting of 1,40,71,386 equity shares of ₹ 10/- each (prior to sub-division) to ₹ 14,11,94,860/- consisting of 7,05,97,430 equity shares of ₹ 2/- each.

SUB-DIVISION OF FACE VALUE OF EQUITY SHARES

To improve the liquidity of the Company's shares in the market, the Board of Directors at their meeting held on September 17, 2022, had approved, subject to approval of the members, the sub-division of face value of the equity shares from ₹ 10/- each into equity shares of ₹ 2/- each fully paid-up and consequent amendment in Capital Clause in Memorandum of Association (MoA) of the Company. Subsequently, the members approved the sub-division of face value of equity shares from ₹ 10/- each into ₹ 2/- each fully paid-up through Postal Ballot, on November 7, 2022. The record date for the aforesaid sub-division was November 25, 2022, Accordingly, the face value of equity shares of the Company stands sub-divided from ₹ 10/- each fully paid up into ₹ 2/- each fully paid-up. The physical shareholders were issued fresh shares of face value of ₹ 2/- each.

RECLASSIFICATION OF AUTHORISED SHARE CAPITAL AND MODIFICATION OF THE CAPITAL CLAUSE IN MEMORANDUM OF ASSOCIATION

The Board of Directors at their meeting held on September 17, 2022, had approved, subject to approval of members, reclassification of the existing authorized share capital of ₹ 100/- Crores into Equity Shares divided into 35,00,00,000 equity shares of ₹ 2/- each aggregating to ₹ 70,00,00,000/- (₹ Seventy Crores) and Preference Share Capital of ₹ 10/- each divided into 3,00,00,000 aggregating to ₹ 30,00,00,000/- (₹ Thirty Crores). The members approved the reclassification of authorized share capital through Postal Ballot, on November 7, 2022. Subsequently the Capital Clause in Memorandum of Association (MoA) of the Company was modified.

DIVESTMENT OF EQUITY STAKE IN VRATA TECH SOLUTIONS PRIVATE LIMITED (SUBSIDIARY COMPANY)

The Audit Committee and the Board of Directors at their meeting held on June 16, 2022, had approved the proposal for divestment of its equity stake/investment in Vrata Tech Solutions Private Limited ('VTSPL'). The entire 77.78% equity investment was sold to a promoter group entity, Sumil Trading Private Limited, on June 30, 2022 at the price of ₹ 90.55/- per share for an aggregate consideration of ₹ 4,07,47,500/-. The Company had subscribed to 4,50,000 shares of the VTSPL at a face value of ₹ 10/- per share. The fair valuation of the equity shares of VTSPL was valued by Independent Registered Valuer CA Rashmin Shah. VTSPL was not a material subsidiary of the Company and hence, approval of the Board was sufficient for divestment of the equity stake in the Company.

SCHEME OF THE ARRANGEMENT FOR CAPITAL REDUCTION AND CAPITAL REORGANIZATION

The Board of Directors at their meeting held on November 14, 2022, approved the Scheme of the Arrangement ('Scheme') between the Company and its Shareholders for reduction and reorganization of capital of the Company, wherein the credit balances of various items of Reserves in the Balance Sheet would be adjusted against the entire negative balance of Retained Earnings. The afore mentioned reduction and reorganization of Capital of the Company does not prejudicially affect the Company or its Shareholders or any other Stakeholders. The Company has filed an application under the Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, for obtaining "No Objection Letter" from the BSE Limited, where the Equity

DIRECTORS' REPORT (Contd.)

Shares of the Company are listed. The application is lying before BSE Limited for a 'No Objection Letter.' Once the 'No Objection Letter' is issued by BSE Limited, the Company will file an application before the Hon'ble National Company Law Tribunal, Ahmedabad Bench ('Tribunal') to complete the rest of the formalities and approval of the Scheme. Draft Scheme and other documents are available on the website of the Company at www.mafatlals.com/investors/schemeofarrangement.

DIRECTORS RETIRING BY ROTATION

Pursuant to the requirements of the Companies Act, 2013, Mr. Hrishikesh A. Mafatlal (DIN 00009872), retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

The Board recommends the appointment / re-appointment of the above Director for approval. The brief details of the Director proposed to be appointed / re-appointed, as required under Regulation 36 of SEBI Listing Regulations, are provided in the Notice of Annual General Meeting.

INDEPENDENT DIRECTORS AND THEIR MEETING

The Company received annual declarations from all Independent Directors of the Company, confirming that they meet the criteria of 'independence' provided in Section 149(6) of the Companies Act, 2013 and Regulations 16(1)(b) & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There was no change in the circumstances which could affect their status as Independent Director during the financial year.

The Independent Directors met on November 14, 2022 and March 27, 2023, without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of the Non-Independent Directors and the Board as a whole, and of the Chairman of the Company after considering the views of Executive Directors and Non-Executive Directors. The Board also assessed the quality, quantity, and timeliness of information flow between the Company's management and the Board necessary for them to effectively perform their duties.

BOARD EVALUATION

Pursuant to the provisions of Section 134 (3) of the Companies Act, 2013 and the applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Independent Directors evaluated the performance of the Non- Independent Directors and Chairman of the Company after considering the views of the Executive and Non-Executive Directors and the Board as a whole. They assessed the quality, quantity, and timeliness of flow of information between the Company's Management and the Board.

The Nomination and Remuneration Committee evaluated the performance of every Director. The Board of Directors adopted a formal mechanism for the evaluation of its performance as well as that of its committees and Individual Directors, including the Chairman of the Board.

The Independent Directors were regularly updated on the industry and market trends, plant processes, and the operational performance of the Company through presentations.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act is available on the website of the Company at www.mafatlals.com/investors/

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 and proper explanations relating to material departures, if any, have been given.

(ii) The Directors have selected such accounting policies, applied them consistently, and made judgements or estimates reasonable and prudent to provide a true and fair view of the state of the Company's affairs at the end of the financial year, and of the profit of the Company for the period under review.

(iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(iv) The Directors have prepared the annual accounts on a 'going concern' basis.

(v) The Directors have laid down financial controls to be followed by the Company and that such financial controls are adequate and operating effectively.

(vi) The Directors have devised systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CHANGE IN KEY MANAGERIAL PERSONNEL

Mr. M. B. Raghunath, President & Business Head was appointed as Chief Executive Officer (CEO) with effect from

April 1, 2022. Mr. Priyavrata H. Mafatlal, who was performing the twin duties of Managing Director and Chief Executive Officer (CEO) of the Company till March 31, 2022, is continuing as Managing Director after the appointment of Mr. Raghunath as CEO of the Company. During the financial year under review, Mr. Ashish Karanji, Company Secretary and Compliance Officer resigned. In his place, Mr. Amish Shah was appointed as Company Secretary and Compliance Officer with effect from April 1, 2022.

EMPLOYEE STOCK OPTION PLAN, 2017

The shareholders of the Company at 103rd Annual General Meeting held on August 2, 2017, consented to the creation of 6,95,000 (34,75,000 after adjustment of the sub-division) equity shares Employee Stock Option pool under the Mafatlal Employee Stock Option Plan, 2017 by way of a Special Resolution. The Board of Directors, as per the recommendation of the Nomination and Remuneration Committee (NRC), approved Mafatlal Employees Stock Option Plan 2017.

In terms of the approval of the shareholders by Postal Ballot for sub-division and related actions and as a consequence of the sub-division of equity shares from face value of ₹ 10/- into face value of ₹ 2/- the Company has made appropriate adjustments to the exercise quantity and price of the outstanding ESOPs granted to employees with effect from opening of business hours on November 26, 2022 (being the next working day post the record date of sub-division) so as to ensure that the resultant payment by ESOPs grantees on the exercise of ESOPs and the resultant benefits due to the adjustment to the revised exercise quantity and price remains unchanged for grantees.

The NRC has granted 4,56,000 (22,80,000 after sub-division) equity shares options in two tranches to certain senior management employees. NRC made a third option grant on May 27, 2022 to certain executives aggregating 3,20,000 (16,00,000 after sub-division) equity shares at ₹ 181/- (₹ 36.20/- after sub-division) each share.

2,22,700 (11,13,500 after sub-division) options have lapsed on account of resignation of the concerned employees. As on March 31, 2023, after sub-division, 1,61,500 options remained outstanding out of the first grant and 47,000 (after sub-division) options remained outstanding from the second grant.

The option grantees (employees) exercised 2,40,500 (after sub-division) equity shares of ₹ 2/- each at an exercise price of ₹ 15.73 (after adjustment of sub-division of shares at actual exercise price ₹ 78.65/-) options vested to them under the second grant. Accordingly, the Company has on May 28, 2022, September 12, 2022, and February 14, 2023 allotted shares to the eligible employees under the Mafatlal Employee Stock Option Plan, 2017.

Pursuant to the aforesaid exercise of options and allotment of 2,40,500 equity shares, the subscribed and paid-up equity share capital of the Company changed from ₹ 1,407.14 Lakhs to ₹ 1,411.95 Lakhs consisting of 7,05,97,430 equity shares of ₹ 2 each (after adjustment of sub-division) and the share premium account was credited with a share premium of ₹ 45.08 Lakhs.

The detailed information on capital and reserves are provided in the attached audited accounts of the Company.

The further disclosures, as required under SEBI Employee Share Based Benefits Regulations, 2016, and other applicable provisions, are provided in **ANNEXURE- D** to this report with other disclosures..

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The financial position of the subsidiary company is given in the Notes to Consolidated Financial Statements. The Company does not have any material subsidiary. The Policy on Material Subsidiary, framed by the Board of Directors of the Company, is available on www.mafatlals.com/investors/ policies.

VTSPL ceased to be the subsidiary of the Company w.e.f June 30, 2022, post the disinvestment of shares from the Company.

The audited accounts of Mafatlal Services Limited, subsidiary of the Company, for the financial year ended on March 31, 2023, has been placed on the Company's website www.mafatlals.com/investors and open for inspection by any member at the Registered Office of the Company on all working days (Monday-Friday) during working hours between 3.00 pm and 5.00 pm. The Company will make these documents available on request by any member of the Company who may be interested in obtaining the same.

As reported earlier, Al Fahim Mafatlal Textiles LLC. (UAE) remained non-operational and since there was no foreseeable beneficial future, the Board of Directors of the Company and the joint venture partner decided on a voluntary winding-up/ closure of that entity. The Company wrote to the Ministry of Commerce, Department of Economic Development, Dubai, that there was no operation of the said joint venture company from 2016. Accordingly, the Company has not applied for a renewal of license to continue to operate the business there. The audited accounts of that JV company are not consolidated with the Accounts of the Company from 2018-19 onwards.

The statement containing salient features of the financial statement of subsidiary companies (Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014) is further annexed as part of the Notes forming a part of the Consolidated Financial Statement as **FORM AOC-1.**

DIRECTORS' REPORT (Contd.)

DEPOSITS

The Company does not have 'Deposits' as contemplated under Chapter V of the Companies Act, 2013. Further, it has not invited or accepted any such deposit during the financial year ended on March 31, 2023.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments in the business operations of the Company for the financial year ended on March 31, 2023, to the date of the signing of the Directors' Report.

INTERNAL FINANCIAL CONTROL (IFC)

The existing internal financial controls are adequate and commensurate with the nature, size, and complexity of the business and business processes followed by the Company. The Company has a well laid down framework for ensuring adequate internal controls over financial reporting.

INDUSTRIAL RELATIONS

The relations between the employees and the management remained cordial and harmonious during the financial year under review. There were 1,121 (948 in the previous financial year) permanent employees on the payroll of the Company as on March 31, 2023.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Mafatlal Industries Limited., a part of the Arvind Mafatlal Group, has been fulfilling its corporate social responsibilities for more than 51 years, much before CSR had been statutorily prescribed. The Company's work in this domain has focused on poverty alleviation, healthcare, education for young children, and upliftment of women across rural India. In conformity with the provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has formed a CSR Committee, which comprises Mr. Hrishikesh A. Mafatlal, who is the Chairman of the said Committee, Mr. Atul Kumar Srivastava, and Mr. Sujal Shah, both are Independent Directors.

Based on the recommendations of the CSR Committee, the Board of Directors formulated a CSR Policy encompassing the Group's and the Company's philosophy, underlying its CSR activities. It laid down the guidelines and mechanisms for undertaking socially relevant programmes in conformity with the statutory provisions. This policy is posted on the website of the Company and available on www.mafatlals.com.

As per the provisions of Section 135, read with the Section 198 of the Companies Act, 2013, due to the losses incurred by the Company over the years, there was no CSR obligation for financial year 2022-23. Accordingly, there were no meetings of the CSR Committee during the year. The statutory disclosures with respect to CSR is annexed hereto, as an **Annexure-E**, which is forming a part of this report.

RELATED PARTY TRANSACTIONS

There are no materially significant related party transactions undertaken by the Company during the financial year. The Company's policy for related party transactions is posted on the website of the Company and available on www.mafatlals.com/investors/policies.

The details of all transactions with the related parties are disclosed in Notes, forming a part of the financial statements, annexed to the financial statements for 2022-23 and annexed as a part of this report in **AOC- 2**, as an **Annexure-A.**

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT, CORPORATE GOVERNANCE REPORT

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

OTHER STATUTORY DISCLOSURES

(a) Number of Board Meetings

The details of Board meetings and the attendance of the Directors are provided in the Corporate Governance Report, which forms a part of this Report.

(b) Committees of Board

Details of the various committees constituted by the Board of Directors, as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, are provided in the Corporate Governance Report and forms a part of this report.

(c) Vigil Mechanism / Whistle Blower Policy

The Company adopted a Whistle Blower Policy and established a necessary vigil mechanism for employees and Directors to report concerns about unethical activities. No person had been denied access to the Chairman of the Audit Committee. The said policy is uploaded on the website of the Company at www.mafatlals.com/investors/policies

DIRECTORS' REPORT (Contd.)

(d) Significant and Material Orders Passed by the Regulators or Courts

There are no significant and material orders passed by the Regulators or Courts or Tribunals, which would impact the going concern status and the Company's operations.

(e) Particulars of Loans, Guarantees or Investments

There were no loans or guarantees or investments given/ made by the Company under Section 186 of the Companies Act, 2013 during the financial year ended on March 31, 2023.

(f) Annual Return

The Annual Return of the Company as on March 31, 2023, is available on the website of the Company at www.mafatlals.com/investors/

(g) Disclosures Under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the said Act, read with other applicable provisions. Internal Complaints Committees are constituted and regularly redress complaints, if any. During the financial year under review, no complaint was received in respect of Sexual Harassment from any employee of the Company and necessary disclosure for the same has been given to the concerned Government departments for respective locations.

(h) Insurance

The Company has taken appropriate insurance for all assets against foreseeable perils.

(i) Secretarial Standards

The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI), and such systems were adequate and operating effectively.

(j) Risk Evaluation and Management

Business Risk Evaluation and Management is an ongoing process within the organization. The Company has a comprehensive risk management framework to identify, monitor, and minimize risks, while identifying business opportunities.

As per Regulation 21(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Risk Management Committee is applicable to top 1000 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year. Since the Company does not feature in this list, the said regulation is not applicable.

(k) Policies

During the financial year under review, the Board of Directors of the Company reviewed all changes and adopted applicable policies to comply with the recent amendments in the Companies Act, 2013 and SEBI Regulations.

Accordingly, the updated policies are uploaded on website of the Company at www.mafatlals.com/investors/policies.

(l) No proceedings are made or pending under the insolvency and Bankruptcy Code, 2016 and there is no instance of one-time settlement with any Bank or Financial Institution.

(m) No shares with differential voting rights and sweat equity shares have been issued.

(n) None of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143(12) of the Act.

(o) There has been no change in the nature of business of the Company.

(p) During the financial year under review, no such agreement was entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, whose purpose and effect is to, impact the management or control of the Company or impose any restriction or created any liability of the Company.

AUDITORS

I. Statutory Auditors

Pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, M/s. Price Waterhouse Chartered Accountants LLP (Firm registration No.012754N/N500016) were re-appointed as statutory auditors of the Company for a period of five years by the members of the Company at the 108th Annual General Meeting (AGM) to hold office from the conclusion of the 108th AGM till the conclusion of the 113th AGM to be held in 2027.

The Company received written consent and a certificate of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Companies Act and Rules issued thereunder, from M/s. Price Waterhouse Chartered Accountants LLP. They confirmed to hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under listing regulations.

M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants, (Firm registration No.012754N/N500016) issued Auditors Report for the Financial Year ended on March 31, 2023, and there are no qualifications in Auditors' Report.

II. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, Mr. Umesh Ved, Company Secretary in practice, was appointed to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for financial year 2022-23 is annexed, which forms a part of this report, as **Annexure – III.** There were no qualifications, reservation or adverse remarks given by Secretarial Auditor of the Company in the Secretarial Audit Report of the Company.

III. Cost Auditor

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with relevant rules made thereunder, maintenance of cost records for Company's 'Textiles' products is required and accordingly such accounts and records are made and maintained by the Company. The cost audit for the year 2021-22 was carried out in time, and the Cost Audit Report with requisite data, in the prescribed form CRA 4, has already been filed with Ministry of Corporate Affairs (MCA) within the permissible time, last year.

Further, in accordance with the said applicable provisions, the audit of the cost records of the Company for the year 2022-23 relating to the 'Textiles' products as required is being carried out by Cost Auditors M/s. B. Desai & Co. (Firm Registration No. 005431) Cost Auditors. The Cost Audit Report will be filed on or before the due date with the Ministry of Corporate Affairs in due course of time after the same is approved by the Board of Directors of the Company within the permissible timeline.

On the recommendation of the Audit Committee, the Board has in their Meeting held on May 30, 2023 re- appointed M/s. B. Desai & Co. (Firm Registration No. 005431), Cost Auditors to audit cost records in respect of 'Textiles' products as required for the Financial Year 2023-24. The remuneration payable to the Cost Auditor has been proposed for approval by the Members of the Company at the ensuing Annual General Meeting.

IV. Internal Auditor

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

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information required under section 134 (3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is enclosed as **ANNEXURE - B** and forms part of the report.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule, 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is enclosed as **ANNEXURE - C** and forms a part of the report.

APPRECIATION

The Directors wish to place on record their appreciation of the devoted services of the workers, staff and the officers for their continued contribution to the Company. The Directors also express appreciation to the Company's customers, business associates, banks, Government departments, agencies, service providers, suppliers, and other shareholders for standing by the Company during these challenging times.

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

Hrishikesh A. Mafatlal
Chairman
(DIN: 00009872)
Place: Mumbai
Date: May 30, 2023

ANNEXURE-A

FORM NO. AOC-2

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

Disclosure of the Related Party Transactions of Mafatlal Industries Limited for the financial year ended on March 31, 2023

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

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

2 Details of material contracts or arrangements or transactions at arm's length basis for the financial year ended on March 31, 2023

(₹ In Lakhs)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions/ salient terms	Salient terms of the contracts or arrangements or transactions, including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
1.	Sumil Trading Private Limited (Formerly known as Sumil Holdings Private Limited)	Sales, purchase, or supply of any goods and material.	Arrangements comparable with other unrelated party.	NIL	May 28, 2022	Nil
2.	Sumil Trading Private Limited. (Formerly known as Sumil Holdings Private Limited)	Car and vehicle rent and recovery charges/ in respect of providing services / office facilities / common facilities sharing, rendering of services etc., leave and license fees for using Company's premises as office space for Registered Office and Corporate Office. Proceeds from sale of subsidiary.	arrangement towards leave and licence fees and payment of car rent on actual basis.	470.63	May 28, 2022	Nil
3.	Intensive Clothing Care Unit	License fees for providing factory space at Nadiad and recovery of charges / common facilities/ utilities pertaining to the space.	License and utilities fees charged should not be less than the cost of Company and what is charged to unrelated parties.	63.21	May 28, 2022	Nil
4.	Intensive Clothing Care Unit	Sales, purchase, or supply of any goods and material.	Arrangements comparable with other unrelated party.	NIL	May 28, 2022	Nil
5.	NOCIL Limited	Sales, purchase, or supply of any goods and material.	Arrangements comparable with other unrelated party.	NIL	May 28, 2022	Nil
6.	NOCIL Limited	Recovery of charges / in respect of providing services / office facilities/ common facilities sharing, rendering of services etc.	Continuing arrangement towards recovery of utility and/or service charges cost /fees apportionment.	10.07	May 28, 2022	Nil
7.	Vrata Tech Solutions Private Limited	Sales, purchase, or supply of any goods and material.	Arrangements comparable with other unrelated party.	213.35	May 28, 2022	Nil
8.	Vrata Tech Solutions Private Limited	Recovery of charges / in respect of providing services / office facilities/ common facilities sharing, rendering of services etc.	Continuing arrangement towards recovery of utility and/or service charges cost /fees apportionment.	1.06	May 28, 2022	Nil
9.	Vrata Tech Solutions Private Limited	Leave and license fees for using Company's premises as office space for Registered Office and Corporate Office.	License and utilities fees charged should not be less than the cost of MIL charged to unrelated parties.	1.64	May 28, 2022	Nil
10.	Mafatlal Services Limited	Payment of expenses incurred for the Company.	Continuing arrangement towards payment of utility and/or service charges cost /fees apportionment.	11.67	May 28, 2022	Nil

ANNEXURE-A (Contd.)

(₹ In Lakhs)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions/ salient terms	Salient terms of the contracts or arrangements or transactions, including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
11.	KSJ Trading Private Limited. (Formerly known as Gayatri Pestichem Manufacturing Private Limited)	Leave and license fees for using Company's premises as office space for Registered Office and Office address.	License and utilities fees charged should not be less than the cost of MIL charged to unrelated parties.	NIL	May 28, 2022	Nil
12.	MAF Technologies Private Limited	Financial transactions including in the nature of sales / purchase of goods, materials, providing / availing of services. Reimbursement of expenses payment or recovery of expenses.	Arrangements comparable with other unrelated party.	0.26	May 28, 2022	Nil
13.	NOCIL Limited	Dividend	Dividend received against investment in shares.	757.77	May 28, 2022	Nil

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

Statements pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2023.

ANNEXURE-B

Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earning & Out go pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014:

I. CONSERVATION OF ENERGY

A) ENERGY CONSERVATION MEASURES TAKEN:

- Adopted and implemented a regular maintenance schedule to reduce energy consumption
- Adopted the practice of lowering the machine run during downtime to conserve energy
- Replaced the conventional copper/ electronics ballast fixtures at various locations with LED lights/ high bay fixtures to reduce electricity consumption
- Conducted continuous energy audits and ensured proper maintenance and management of steam trap with the help of engineering teams at the plant, which reduced the wastage of thermal energy
- Installed 12 TPH process boiler to reduce a dependence on the larger capacity boiler, which resulted in a lower consumption of coal and fuel
- Installed variable frequency drives on the boiler feed pump to reduce power consumption.

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

i) Investments proposals for 2024-25

- The Company is seeking better energy solutions like biofuel, solar energy, which could reduce dependence on coal and electricity
- The Company will proactively work towards a replacement of legacy equipment to reduce energy losses.

(ii) Impact of the Measures at (A) & (B) above for Reduction of the Energy Consumption and Consequent Impact on the Cost of Production of Goods.

Nil impact

C) PARTICULARS WITH RESPECT TO ENERGY CONSUMPTION PER UNIT OF PRODUCTION:

Particulars	2022-23	2021-22
1. Electricity		
a) Purchased units KWH in Lakh	209.05	106.92
b) Total amount (₹ in Lakh)	1,965.87	1,101.48
c) Rate/unit (₹ /KWH)	9.403	10.30
2. Coal & Lignite		
a) Quantity (in MT)	36.825	35.65
b) Total cost (₹ in Lakh)	3,295	2,438.00
c) Cost/MT	8,947.73	6,839.74

D) CONSUMPTION PER UNIT OF PRODUCTION

Particulars	2022-23	2021-22
Electricity (KWH)	0.96	0.46
Coal and lignite (Kg)	1.24	1.52

ANNEXURE-B (Contd.)

II. TECHNOLOGY ABSORPTION

A) INFORMATION REGARDING TECHNOLOGY IMPORTED DURING LAST 3 YEARS:

a) Technology imported	N.A.
b) Year of import	N.A.
c) Has technology been fully-absorbed	N.A.
d) If not fully-absorbed, not taken place, reasons therefor and plans of action.	N.A.

B) EXPENDITURE ON R&D

(₹ In Lakhs)

Details	2022-23	2021-22
a) Capital expenditure	-	-
b) Recurring expenditure	84.47	76.48
Total	**84.47**	**76.48**
(a) Total R&D expenditure as a % of total turnover	**0.06**	**0.07**

III. FOREIGN EXCHANGE EARNING AND OUTGO:

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

Efforts are on to expand reach into the markets like Middle East, Europe, Africa, and US and other countries.

(B) Total foreign exchange used and earned:

(₹ In Lakhs)

Details	2022-23	2021-22
Total foreign exchange used	810.51	20.44
Total foreign exchange earned	3,664.51	3,710.12

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

Hrishikesh A. Mafatlal
Chairman
(DIN: 00009872)
Place: Mumbai
Date: May 30, 2023

ANNEXURE-C

DISCLOSURES UNDER SECTION 197(12) AND RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AS AMENDED:

I. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23:

Sr. No.	Directors	Remuneration (₹ In Lakhs)	Median Remuneration (₹ In Lakhs)	Ratio *
1.	Mr. Hrishikesh A. Mafatlal - Chairman	Nil	5.15	NA
2.	Mr. Atul K. Srivastava	7.00	5.15	1.36
3.	Mr. Vilas R. Gupte	12.60	5.15	2.45
4.	Mr. Pradip N. Kapadia	11.90	5.15	2.31
5.	Mrs. Latika P. Pradhan	11.20	5.15	2.17
6.	Mr. Gautam G. Chakravarti	12.60	5.15	2.45
7.	Mr. Sujal A. Shah	11.20	5.15	2.17
8.	Mr. Priyavrata H. Mafatlal, MD	202.15	5.15	39.25

*The ratio is considered comparing median remuneration of all employees (MC & NMC) with the remuneration paid to Directors. Mr. Hrishikesh A. Mafatlal, Chairman has voluntarily waived his remuneration for the year 2022-23.

- The Non-Executive Directors were paid sitting fees only for attending Meetings of the Board and Committees thereof for the year 2022- 23 at the rate ₹ 70,000/- per meeting and allowance as per Company policy.
- The Company has considered the management cadre employees and non-management cadre staff employees' remuneration while calculating the median remuneration and accordingly provided the details.

I.	Percentage increase in remuneration of each Director, CEO, CFO and CS in the financial year 2022-23	The remuneration increase given to MD was 50%, CEO 13%, and CFO 10%. There is no increase in remuneration of other KMPs, Executives or Non-Executive Directors
II.	Percentage increase in median remuneration of employees in the financial year	7.51% (3% in previous year)
III.	The number of permanent employees on the rolls of the Company	1121 (948 last year)
IV.	Average percentiles 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 whether there are any exceptional circumstances for increase in the managerial remuneration:	Average increase in the salaries of employees is 7.95% (0% in previous year). There is no exceptional increase in the managerial remuneration.
V.	The key parameters for any variable component of remuneration availed by the directors	None
VI.	Affirmation that the remuneration is as per the remuneration policy of the Company	The remuneration is as per the remuneration policy of the Company.

ANNEXURE-C (Contd.)

Disclosure under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

A. Employed for the entire financial year under review and were in receipt of Remuneration of not less than ₹ 1,02,00,000 p.a.

#	Name & Designation	Remuneration Received in (Lakhs)$	Nature of employment	Qualification	Experience (In Years)	Date of Joining	Age	Last employment held before the joining of the Company	% Equity Share held	Relative of any of Director
1.	Mr. M. B. Raghunath, CEO	194.98	Employee	Bachelor's degree in physics, MBA-Mktg from NMMIS-Mumbai,	More than 37 years	April 1, 1995	58 years	Berger Paints	1,50,000 (0.21%)	No
2	Mr. Milan Shah, CFO	196.68	Employee	B. Com, CA, CS	More than 38 years	September 17, 2015	63 years	Arvind Limited	1,08,500 (0.15%)	No
3	Mr. Priyavrata H. Mafatlal, MD	202.15*	Managing Director	M.Com, 3 tire Management Programmes at IIM, Ahmedabad, Fashion Business Courses, London, (UK)	More than 15 years	November 1, 2016	36 years	N.A.	500 (0.00%)	Yes, Son of Mr. H. A. Mafatlal, Chairman

*Including commission.

B. Employed for the part of the financial year under review and were in receipt of Remuneration of not less than ₹ 8,50,000 per month

#	Name & Designation	Remuneration Received in ₹ (Lakhs)	Nature of employment	Qualification	Experience (In Years)	Date of Joining	Age	Last employment held before the joining of the Company	% Equity Share held	Relative of any of Director
					Not Applicable					

$ Remuneration includes salary, allowances, perquisites, contribution to Provident Fund, Superannuation fund, leave encashment and retirement benefits including of gratuity, among others, in case of employees who have resigned/ retired, but excluding perquisite value of ESOPs.

C. Details of top ten employees in terms of remuneration drawn as on March 31, 2023, will be made available for inspection at the registered office of the Company. Any member interested in obtaining such particulars may write to Company Secretary of the Company.

D. None of the employees are drawing remuneration in excess of that drawn by the Managing Director and does not hold by himself/ herself or along with his/her spouse and dependent children more than two percent (2%) of the equity shares of the Company.: **Refer Clause A for details.**

ANNEXURE-D

DISCLOSURE REQUIRED PURSUANT TO REGULATION 14 OF SEBI (SHARE-BASED EMPLOYEE BENEFITS) REGULATIONS, 2014:

Disclosures by the Board of Directors

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

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

Please refer to Note No. 38 under Notes to Accounts in financial statement.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 33 (Ind AS 33) - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

Please refer to Note No. 46 under Notes to Accounts in financial statement.

C. Details related to ESOP

i. A description of each ESOP that existed at any time during the financial year, including the general terms and conditions of each ESOP etc:

The shareholders of the Company at 103rd Annual General Meeting held on August 2, 2017 approved creation of 6,95,000 (34,75,000 after adjustment of ₹ 2/- per equity share) employee stock options pool under Mafatlal Employee Stock Option Plan, 2017 by way of a Special Resolution. The Board of Directors of the Company had, as per the recommendation of the Nomination & Remuneration Committee (NRC) approved the Mafatlal Employees Stock Option Plan 2017, which is compliant with the applicable provisions and there has been no change made so far in the said scheme.

Particulars	First Grant	Second Grant	Third Grant
Date of the option granted by Nomination and Remuneration Committee (NRC).	November 10, 2017	August 01, 2019	May 27, 2022
No. of equity shares granted. No. of equity shares granted after adjustment of sub-division of shares ₹ 2/- each.	1,38,000 6,90,000	3,18,000 15,90,000	3,20,000 16,00,000
Exercise price of each share Exercise price of each share after adjustment of sub-division of shares ₹ 2/- each.	₹ 322.70 ₹ 64.54	₹ 78.65 ₹ 15.73	₹ 181.00 ₹ 36.20
Options have lapsed on account of resignation of the employees. Options have lapsed after adjustment of sub-division of shares ₹ 2/- each.	1,00,000 5,00,000	1,02,000 5,10,000	15,000 75,000

Balance shares are available under the Mafatlal ESOP-2017, 1,21,000 (6,05,000 after adjustment of sub-division of shares)

ii. The other disclosures are as follows:

a.	Date of shareholders' approval	August 2, 2017
b.	Total number of options approved under ESOS	6,95,000 equity shares (34,75,000 after adjustment of ₹ 2 per equity share)
c.	Vesting requirements	The first grant (2017) of options was approved with progressive vesting of 15%, 20%, 30%, and 35% on every anniversary of the vesting. The second grant (2019), the vesting would be 100% on completion of first anniversary of the grant. The third grant (2022), the vesting would be 100% on completion of first anniversary of the grant.
d.	Exercise price or pricing formula: (₹) after sub-division adjustment in price)	The first grant, 2017: ₹ 322.70 (₹ 64.54) The second grant, 2019: ₹ 78.65 (₹ 15.73) The third grant 2022: ₹ 181.00 (₹ 36.20)
e.	Maximum term of options granted	5 years (1 year vesting and 4 years exercise period)
f.	Source of shares (primary, secondary, or combination)	Primary
g.	Variation in terms of options	None.
h	Method used to account for ESOS – Intrinsic or fair value	Fair value

ANNEXURE-D (Contd.)

iii. Option movement during the financial year 2022-23 (For Each ESOP)*:

Number of options granted (includes options unvested) and outstanding at the beginning of the period	4,77,500
Number of options granted during the financial year	16,00,000
Number of options lapsed/forfeited during the financial year (due to resignations)	1,03,500
Number of options exercisable during the financial year	2,08,500
Number of options vested during the financial year	2,08,500
Number of options exercised during the financial year	2,40,500
Number of shares arising as a result of exercise of options	2,40,500
Money realized by exercise of options (₹), if scheme is implemented directly by the Company	₹ 37,83,065
Loan repaid by the Trust during the year from exercise price received	-
Number of options outstanding at the end of the financial year (includes options unvested)	17,33,500
Number of options exercisable at the end of the financial year	2,08,500

*After subdivision of shares from ₹ 10/- each to ₹ 2/- each

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

Please refer to Note No. 38 under Notes to Accounts in financial statement.

v. Employee wise details of options granted during 2022-23: 16,00,000 Equity shares of ₹ 2/- each (3,20,000 Equity shares of ₹ 10/- each) granted on May 27, 2022 exercise price of each Equity share ₹ 36.20/- (after adjustment of ₹ 2/- per equity share)

a. Senior Management (name and number of options granted):

Sr. No.	Name of employees	Total No of Options granted (equity share of ₹ 2/- each)
1.	Mr. M.B. Raghunath	3,75,000
2.	Mr. Milan Shah	2,00,000
3.	Ms. Smita Jhanwar	1,25,000
4.	Mr. Gaurav Gupta	1,25,000
5.	Mr. Dilip Dhabe	1,00,000
6.	Mr. Vatsal Sheth	1,00,000
7.	Mr. Nandkumar Gajaria	75,000
8.	Mr. Rajesh Shrimankar	75,000
9.	Mr. Sailesh Nair	75,000
10.	Mr. Anish Pimputkar	75,000
11.	Mr. Sameer Tuplondhe	75,000
12.	Mr. Akash Dhuri	75,000
13.	Mr. Mahesh Chachar	75,000
14.	Mr. Anirudha Lad	50,000

•Vesting Period: the options shall be vested at the end of one year from the date of grant i.e. May 28, 2023.

•Exercise Period: Any time during the period of 4 years from the date of grant.

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

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

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

A certificate from the Secretarial Auditors certifying that the Mafatlal Employee Stock Option Plan 2017, has been implemented in accordance with the applicable SEBI Regulations and the Special Resolution passed by the members in 103rd AGM, is available on the website of the Company at www.mafatlal.com/investors

Further details are provided in the note no. 38 under Notes to Accounts standalone financial statement. This entire information is also available on the website of the Company at as a part of this 109th Annual Report.

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

Hrishikesh A. Mafatlal
Chairman
(DIN: 00009872)
Place: Mumbai
Date: May 30, 2023

ANNEXURE-E

CSR REPORT FOR THE FINANCIAL YEAR 2022-23

1. Brief outline on CSR Policy of the Company

The Company framed a CSR Policy in compliance with the provisions of the Companies Act, 2013. The CSR Policy, inter-alia, covers the concept (CSR philosophy, activities undertaken by the group, scope and applicability, resources, identification and approval process, implementation and monitoring etc.) and the same is available on www.mafatlals.com/investors/

2. Composition of CSR Committee

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

Sr. No.	Name of Director	Designation / nature of Directorship	Number of meetings of CSR Committee held during the financial year	Number of meetings of CSR Committee attended during the financial year
1.	Mr. Hrishikesh A Mafatlal	Chairman (Promoter-Executive)	None since there is no CSR Obligation for the year 2022-23	N.A.
2.	Mr. Sujal Shah	Independent Director	-do-	N.A.
3.	Mr. Atul Srivastava	Independent Director	-do-	N.A.

3. Provide the web-link where Composition of CSR committee, CSR Policy, and CSR projects approved by the board are disclosed on the website of the Company:

The Composition of CSR Committee is as above while there is no CSR Obligation for the year 2022-23 and accordingly no CSR projects were approved by the Board/CSR Committee. The details of CSR Policy weblink is already provided in para 1 above**.**

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): **NOT APPLICABLE.**

5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any: **NOT APPLICABLE.**

6. Average net profit of the Company as per Section 135(5).

a) Two percent of average net profit of the Company as per section 135(5):

(₹ In Lakhs)

Financial Year	*Net Profit for the Purpose of CSR Obligation
2021-22**	2,423.93
2020-21**	(9,375.42)
2019-20**	(2,633.75)
A. Total net profit for three financial years (A)	(9,585.24)
B. Average net profit (A/3)	(3,195.08)
C. 2% of average net profits (to be NIL/NA spent on CSR) in financial year 2022- 23	-NIL-

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

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NOT APPLICABLE**

c) Amount required to be set off for the financial year, if any: **NOT APPLICABLE**

d) Total CSR obligation for the financial year (6a+6b-6c): **NIL**

ANNEXURE-E (Contd.)

7. a) CSR amount spent or unspent for the financial year: **NOT APPLICABLE**

b) Details of CSR amount spent against ongoing projects for the financial year: **NIL / NOT APPLICABLE**

c) Details of CSR amount spent against other than ongoing projects for the financial year: **NIL / NOT APPLICABLE**

d) Amount spent in administrative overheads: **NIL / NOT APPLICABLE**

e) Amount spent on impact assessment, if applicable: **NIL / NOT APPLICABLE**

f) Total amount spent for the financial year (7b+7c+7d+7e): **NIL / NOT APPLICABLE**

g) Excess amount for set off, if any

Sr. No.	Particular	Amount (in ₹)
i)	Two percent of average net profit of the Company as per section 135(5)	NIL
ii)	Total amount spent for the financial year	NIL
iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

8. a) Details of unspent CSR amount for the preceding three financial years:

NIL / NOT APPLICABLE. SINCE THERE HAS BEEN NO CSR OBLIGATION FOR THE COMPANY DURING LAST 3 FINANCIAL YEARS.

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NIL / NOT APPLICABLE.**

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **NIL / NOT APPLICABLE**

10. Specify the reason(s) if the Company has failed to spend two per cent of the average net profit as per section 135(5). **NOT APPLICABLE.**

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

For Mafatlal Industries Limited.

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

Place: Mumbai
Date: May 30, 2023

For Mafatlal Industries Limited

Priyavrata H. Mafatlal
Managing Director
(DIN 02433237)

Place: Sydney
Date: May 30, 2023

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

MANAGEMENT DISCUSSION AND ANALYSIS

ANNEXURE I TO DIRECTORS' REPORT

1. OVERVIEW OF THE ECONOMY

The global economy has witnessed uncertain times with geopolitical uncertainty, lingering supply chain disruption, a high inflationary scenario, spikes in commodity prices, and unexpected failures of major banks. It remains entangled between the cross-currents of slowing growth and high inflation. As per latest estimates from the International Monetary Fund, global growth will bottom out at 2.8% in 2023 as compared to 3.4% in 2022. The International Monetary Fund's latest estimates indicate that India is expected to maintain its position as a favorable contributor to the global economic expansion, despite the global headwinds.

According to the RBI, India's real GDP will grow by 7.85% during 2023-24. The growth will be mainly driven by private consumption, rural demand, capital expenditure in public spending, and moderation in commodity prices. The Economic Survey of 2022-23 highlights that India's import bill witnessed a rise during the year due to high oil prices, causing an increase in the trade deficit. Nevertheless, concerns regarding the financing of the Current Account Deficit (CAD) have diminished, owing to the ample levels of foreign exchange reserves and the favorable state of external debt.

This optimistic growth projection is partly due to the economy's resilience, as evidenced by the smooth shift of private consumption becoming the primary growth driver, dislodging the export stimuli. This boost in private consumption has additionally fueled production activity, resulting in enhanced capacity utilization across various sectors.

Despite its relative outperformance compared to other developing economies, the country faces several challenges. These challenges include adverse geopolitical developments, rising global financial instability, elevated inflation, and financial tightening impacting the cost of capital.

2. OVERVIEW OF TEXTILE AND ALLIED PRODUCT AND TECHNOLOGY SECTOR

The textile sector is one of the oldest industries in India, employing around 45 Million workers, including 3.5 Million handloom workers. The country enjoys a competitive edge in the global textile market, owing to its diverse production base, encompassing a wide range of fibers and yarns. These include natural fibers like cotton, jute, silk and wool, and synthetic/man-made fibers like polyester, viscose, nylon, and acrylic.

The industry's growth is fueled by the rise in incomes, greater discretionary spending, and the resulting increase in consumption. This is expected to generate a higher demand for quality textiles. Additionally, India boasts an average age of 28.2 years and a population of over 1.4 Billion , creating a vast potential market for manufacturers to tap into and capitalize on.

In addition, the Government's increased allocations and reforms aim to bolster the textile sector. An illustrative manifestation of this is the announcement of the launch of seven PM Mitra (Pradhan Mantri Mega Integrated Textile Region and Apparel) Park sites across seven Indian states, including Tamil Nadu, Telangana, Gujarat, Karnataka, Madhya Pradesh, Uttar Pradesh, and Maharashtra. Moreover, the growth in demand for traditional consumer textile products is driven by the increased allocation of funds by various state governments for the procurement of these products under various social welfare schemes, intended to distribute them to economically underprivileged people.

The rising per capita income as a result of strong economic growth contribute to higher discretionary spending, which augurs well for the growth of technical textiles in general and health & hygiene products in particular. In this segment as well, many state governments allocate funds consistently to promote awareness about personal hygiene, especially feminine hygiene. This allocation of funds generates a good demand for these products. Personal care & hygiene is a 1.12 Lakhs Crores market in India, and this product space is expanding significantly with the increase in e-commerce adoption and last-mile access to consumers.

Additionally, the anticipated rise in per capita income of the country is expected to set off a positive domino effect, particularly benefiting the education sector, leading to an increased demand for smart learning solutions. Thereby, holding the potential to have cascading effects on other sectors, including hygiene and FMCG.

The Indian Government has increased its focus and budgetary allocation in the education sector. For 2023-24, the net grant under the union budget has increased by ~17% to ₹ 68,804/- Crores. Under the Samagra Shiksha Scheme, state governments and UTs will be provided assistance in developing (Information and Communication Technology) ICT labs, digital content, and smart classrooms. Already in July 2022, ICT labs for 1,20,614 schools, smart classrooms for 82,120 schools, and 14,82,565 tablets for teachers have been approved and sanctioned.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

3. OVERVIEW OF THE COMPANY'S PERFORMANCE

Mafatlal Industries Limited (also referred to as 'MIL' or 'The Company') primarily operates in the textile and related product segment, along with the technology and related product segment. The Company has identified these segments as separate reporting segments starting from July 01, 2022.

The Company utilizes a strategic combination of in-house manufacturing and specification-based outsourcing. Despite the difficulties caused by the Covid-19 pandemic, MIL has witnessed a robust performance during the reporting year. It has successfully dealt with the external business environment during 2022-23, which posed challenges like volatile raw material prices, inflationary pressure, and surge in the cost of capital.

In continuation of the strategic steps taken up by MIL in recent years, it is currently focused on strengthening its outsourcing-led product portfolio, catering to demands coming from Government/ institutional segments, rationalizing & strengthening its sales force, building a resilient and agile supply chain framework and charting a sustainable growth trajectory.

During the year under review, various key factors contributed to the 33% growth in revenue. These factors include the strong performance observed in the school uniform segment, fuelled by a recovery in market demand, the garment segment, primarily due to the supply made to large institutions. Furthermore, the health & hygiene segment experienced growth due to good product quality, strong institutional demand, and improved traction in direct consumer demand. Additionally, MIL witnessed successful project implementation and demonstrated a strong performance in the education-led technology segment, collaborating with multiple state governments.

i. Performance Review

Total revenue increased by 33% to ₹ 1,41,562.38 Lakhs, and earnings before interest & depreciation EBITDA is ₹ 7,389.06 Lakhs, compared to ₹ 7,667.43 Lakhs in the previous financial year.

ii. Table of Financials

₹ In Lakhs

Particulars	For the Year Ended on			
	March 31, 2023		March 31, 2022	
	Amount	% of Revenue	Amount	% of Revenue
Revenue from Operations	1,37,052.29	97%	99,939.51	94%
Other Income	4,510.09	3%	6,436.79	6%
Total Revenue	1,41,562.38	100%	1,06,376.30	100%
Cost of Material Consumed	20,057.50	14%	17,550.93	16%
Purchase of Stock-in-Trade	90,662.03	64%	66,068.05	62%
Changes in Inventory of Finished Goods, Work-in-Progress & Stock-in-Trade	(3,460.66)	(2%)	(4,392.05)	(4%)
Employee Benefit Expenses	5,203.93	4%	4,153.43	4%
Other Expenses	21,710.52	15%	15,328.51	14%
Total Expenses	1,34,173.32	95%	98,708.87	93%
EBITDA	7,389.06	5%	7,667.43	7%
Finance Cost	1,771.75	1%	1,859.39	2%
Depreciation & Amortization	1,536.18	1%	1,567.07	1%
Profit/(Loss) Before Exceptional Items & Tax	4,081.13	3%	4,240.97	4%
Exceptional Items	(53.57)	0%	(1,016.72)	(1%)
Profit/(Loss) Before Tax	4,027.56	3%	3,224.25	3%
Net Tax Expenses	(279.46)	0%	(295.14)	0%
Profit /(Loss) for the Year	3,748.10	3%	2,929.11	3%

REVENUE FROM OPERATIONS AND OTHER INCOME

MIL's revenue from operations increased by 37% compared to the previous financial year. The Company's other income, including interest income, net gain on foreign currency transactions and other non-operating income from sale of non-core assets, decreased by 30% compared to the previous year.

EBITDA

The total EBITDA for 2022-23 was ₹ 7,389.06 Lakhs as against ₹ 7,667.43 Lakhs reported in previous financial year. This decline in EBITDA is due to higher cost of raw materials and increased utility costs incurred during 2022-23.

Debt

MIL repaid a total ₹ 1,639.77 Lakhs in long-term debt, which is primarily in the form of rupee-term loans, in line with its repayment schedule. The Company also repaid ₹ 488.62 Lakhs in long-term debt before maturity to reduce the finance cost. Furthermore, net short-term borrowings decreased by ₹ 353.36 Lakhs. The Company maintained borrowings to provide working capital support for its core business operations.

Finance Costs

The finance cost for 2022-23 was ₹ 1,771.75 Lakhs as against ₹ 1,859.39 Lakhs for 2021-22. The reduction in finance costs is primarily on account of the repayment of the long-term debt. Finance cost as a percentage of total revenue reduced to 1% from 2% in 2022-23.

Depreciation

Depreciation in absolute terms decreased to ₹ 1,536.18/- Lakhs as compared to ₹ 1,567.07 Lakhs in 2021-22. As a percentage to total revenue, depreciation reduced to 1.1% from 1.5% in 2022-23.

Exceptional Item

During the year, MIL recognized an amount of ₹ 53.57 Lakhs as ex-gratia compensation, payable to those employees who opted for retirement during the year, as an exceptional item.

Changes in Key Financial Ratios & Reason thereof

The key financial ratios during the year under review experienced changes compared to 2021-22, following an improvement in operating performance and an improved balance sheet. All profitability ratios, like the EBITDA margin (positive 5% in the last financial year from a positive 7% in the previous financial year), was negatively impacted due to higher raw material costs and increased utility cost. Despite the drop in EBITDA %, the net profit margin remained at the same level of positive 3% in the last financial year as in the previous financial year on account of a reduction in finance cost & depreciation. Since sales and collections from debtors were regular, there was an improvement in the debtors' turnover (5.1 in 2022-23 as against 4.2 in 2021-22) and current ratio (1 in 2022-23 as against 0.98 in 2021-22). The debt equity ratio improved to 0.15 in 2022-23 from 0.16 in 2021-22 on account of a repayment of significant debt during the year under review.

Human Resources and Safety

MIL is committed to the well-being of its employees. The Company provides them with an environment to grow through continuous employee engagement activities and training & development seminars, fostering a goal-oriented approach.

The Company emphasizes creating a performance-driven organization where talent and merit are suitably rewarded. MIL continuously implements initiatives and measures to build a workplace that prioritizes safe work practices. The total number of permanent employees as of March 31, 2023, stood at 1,121, compared to the previous year's count of 948.

iii. Overview of Product Portfolio & Operating Performance

The Company's focus lies in meeting the domestic demand for consumer textiles, health & hygiene, and education-led technology segments. In the consumer textile portfolio, MIL holds a prominent position in the supply of school uniforms, corporate uniforms, garments, including traditional wear like sarees, and fabrics sold directly to the customers. Additionally, it operates within the export segment and is one of the major voile exporters in the country.

Fulfilling the domestic demand for textiles arising from rural India and major Tier-II/Tier-III markets across the nation is a top priority for MIL. The Company serves customers across India through its widespread dealer network of over 1,000 dealers. The in-house technical capabilities, developed in the textile segment, help the Company to maintain quality, initiate the development of new product categories, and deliver a faster turnaround.

In the health & hygiene segment, increase in consumer spending, and growth from e-commerce platforms, social media campaigns, and sales network are providing sustainable growth. MIL remained committed to expanding its reach in the hygiene business by strengthening the brand for baby diapers, adult diapers, and sanitary napkins, and by building a strong sales force across the country to meet the demand arising out of hygiene segment.

During the year, the Company's revenue witnessed robust growth, owing to its participation in Government tenders for the supply of textiles, hygiene products, and education-led technology products. Additionally, the Company successfully completed projects in the technology sector by building in-house expertise and talent.

iv. Outlook

MIL expects the growth to sustain with a diversified product portfolio, a focus on catering to demand coming from institutions/Governments, a wider distribution network for consumer facing products, a robust supply chain mechanism, and a lower fixed cost. Additionally, the Company will continue to closely monitor the external environmental factors like inflation, credit growth, and geopolitical risks that may affect the business adversely. MIL holds an optimistic outlook for growth in the medium-term in both revenue and operating margin.

CORPORATE GOVERNANCE REPORT

ANNEXURE II TO DIRECTORS' REPORT

This Corporate Governance Report for the year ended March 31, 2023, forms a part of the Directors' Report and the same has been prepared on the basis of the provisions of Clause C of the Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").

1. A BRIEF STATEMENT ON THE LISTED ENTITY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

- Transparency, accountability, and integrity
- Implementation of policies and procedures prescribed by the Company to ensure high ethical standards across business activities for responsible and responsive management.

2. BOARD OF DIRECTORS

The Board of Directors consisted of eight Directors during the year ended March 31, 2023. The Board comprises two Executive Promoter Directors and six Non-Executive Independent Directors including one Woman Director. The Board of Directors is headed by Mr. Hrishikesh A. Mafatlal who is the Chairman (Executive Chairman) of the Company. However, Mr. Hrishikesh A. Mafatlal, Executive Chairman, has voluntarily waived receiving remuneration since his appointment from November 1, 2016. The composition of the Board is in conformity with the applicable provisions of the Companies Act 2013, read with the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, as on March 31, 2023. Further details are as follows:

Sr. No.	Names of Directors	Category	Board Meetings held	Board Meetings attended	Attendance at the last AGM held on July 30, 2022	# No. of Directorship in Public Companies as on March 31, 2023	$ No. Committee Membership / Chairmanship in other Companies at the year end	
							Member	Chairman
1.	Mr. Hrishikesh A. Mafatlal, Executive Chairman	Promoter-Executive	8	8	Yes	3	1	-
2.	Mr. Atul K. Srivastava	Non-Executive Independent	8	7	Yes	3	1	-
3.	Mr. Vilas R. Gupte	Non-Executive Independent	8	8	Yes	2	2	-
4.	Mr. Pradip N. Kapadia	Non-Executive Independent	8	8	Yes	6	8	3
5.	Mrs. Latika P. Pradhan	Non-Executive Independent	8	8	Yes	4	4	2
6.	Mr. Gautam G. Chakravarti	Non-Executive Independent	8	8	Yes	2	-	-
7.	Mr. Sujal A. Shah	Non-Executive Independent	8	8	Yes	10	7	2
8.	Mr. Priyavrata. H. Mafatlal, Managing Director	Promoter-Executive	8	8	Yes	2	-	-

Excludes Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies [Including Mafatlal Industries Limited].

$ In accordance with Regulation 26 (1) of LODR, only Memberships/Chairmanships of Audit Committees and Stakeholders Relationship Committees in all Public Limited Companies (excluding Mafatlal Industries Limited) have been considered. Total number of membership includes the Committees in which Director is a Chairperson.

CORPORATE GOVERNANCE REPORT (Contd.)

Sr. No.	Names of Directors	Names of the Listed Entity (excluding Mafatlal Industries Limited) in which a person is a Director and category of Directorship
1.	Mr. Hrishikesh A. Mafatlal	Promoter Director (Executive Chairman) of NOCIL Limited.
2.	Mr. Atul K. Srivastava	Non-Executive Independent Director of Navin Fluorine International Limited.
3.	Mr. Vilas R. Gupte	Non-Executive Non-Independent Director of NOCIL Limited.
4.	Mr. Pradip N. Kapadia	Non-Executive Independent Director of: 1. Gokak Textiles Limited. 2. Navin Fluorine International Limited.
5.	Mrs. Latika P. Pradhan	Non-Executive Independent Director of Teamlease Services Limited
6.	Mr. Gautam G. Chakravarti	NIL
7.	Mr. Sujal A. Shah	Non-Executive Independent Director of: 1. Amal Limited 2. Hindoostan Mills Limited 3. Amrit Corporation Limited (Delisted from June 3, 2022) 4. Ironwood Education Limited 5. Deepak Fertilisers & Petrochemicals Corporation Limited 6. Navin Fluorine International Limited
8.	Mr. Priyavrata. H. Mafatlal	Promoter Non-Executive Director of NOCIL Limited

Number of Meetings of the Board of Directors and Dates of Meetings Held:

During the financial year ended March 31, 2023, total 8 (eight) meetings of the Board of Directors were held. The maximum interval between two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013. The attendance record of the Directors at the Board Meeting is as under:

Sr. No.	Dates on which the Meetings of the Board Meetings were held during the year 2022-23	Mr. Hrishikesh A. Mafatlal	Mr. Atul K. Srivastava	Mr. Priyavrata. H. Mafatlal	Mr. Vilas R. Gupte	Mrs. Latika P. Pradhan	Mr. Pradip N. Kapadia	Mr. Sujal A. Shah	Mr. Gautam G. Chakravarti
1.	April 1, 2022	Yes	No*	Yes	Yes	Yes	Yes	Yes	Yes
2.	May 28, 2022	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	June 16, 2022	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4.	July 29, 2022	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5.	September 17, 2022	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6.	November 14, 2022	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7.	February 14, 2023	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8.	March 27, 2023	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Yes - Attended, No - Not Attended

*Leave of absence was granted for the Board Meeting held on April 1, 2022, to Mr. Atul K. Srivastava.

All such meetings were held physically except meetings held on April 1, 2022, June 16, 2022, and September 17, 2022, which were held through video conferencing (VC).

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

Independent Directors' Meeting

Pursuant to provisions of Schedule IV to the Companies Act, 2013, during the year under review, two meetings of Independent Directors were held on November 14, 2022, and March 27, 2023.

Mr. Vilas R. Gupte chaired the said meetings. All the Independent Directors remained present at the Meeting wherein the Independent Directors reviewed the performance of the Non-Independent Directors (including Chairperson) and the Board as a whole and assessed the quality, quantity, and timeliness of the flow of information between the Company, Management and the Board that is necessary for the Board to perform their duties effectively and reasonably.

CORPORATE GOVERNANCE REPORT (Contd.)

Disclosure of Relationships between Directors inter-se

Mr. Hrishikesh A. Mafatlal, Chairman is a relative (father) of Mr. Priyavrata H. Mafatlal, Managing Director of the Company. None of the other Directors are related to any other Director of the Company.

Details of shareholding of Non-Executive Directors

Names of the Director	Number of Equity shares of ₹ 2/- each held as of March 31, 2023 *
Mr. Atul K. Srivastava	Nil
Mr. Vilas R. Gupte	Nil
Mr. Pradip N. Kapadia	690
Mrs. Latika P. Pradhan	Nil
Mr. Gautam G. Chakravarti	Nil
Mr. Sujal A. Shah	Nil

The Company does not have any other issued and listed security.

The details of the familiarization programme imparted to Independent Directors is disclosed on the Company's website at www.mafatlals.com/investors/.

*1 (One) Equity share of face value of ₹ 10/- (rupees ten only) each fully paid up was sub-divided into 5 (Five) Equity Shares of ₹ 2/- (rupees two only) each fully paid up with effect from November 25, 2022.

Skills, Expertise & Competence of the Board of Directors

The Board of Directors of the Company comprises of persons with varied experiences in different areas who bring in the required skills, competence, and expertise that allows them to make effective contribution to the Board and its Committees. The following list summarizes the key skills, expertise, and competence that the Board thinks is necessary for functioning in the context of the Company's business and sector and which in the opinion of the Board, its members possess: 1. Commercial 2. Finance including Audit, Accounts, Taxation, 3. Sales and Marketing 4. Science and Technology including IT 5. Domain industry 6. General management and human resources 7. Legal and advisory.

As per the Board, the Directors have skills/expertise/ competencies as follows:

Director	Educational Qualification	Corporate experience in diverse fields (years)	Skills/Expertise/competencies
Mr. Atul K. Srivastava	B.Sc. (Hons) Physics, FCA	46	Commercial, Finance including Audit, Accounts, Taxation.
Mr. Vilas R. Gupte	B.Com, FCA	55	Commercial, Finance including Audit, Accounts, Taxation, General Management.
Mr. Pradip N. Kapadia	B.A., LLB	49	Legal and Advisory.
Mrs. Latika P. Pradhan	FCA, AICWA, ACS and LL.B.	42	Commercial, Finance including Audit, Accounts, Taxation.
Mr. Gautam G. Chakravarti	Degree in Physics, Master's in economics, Post Graduate Program in Management from IIM, Ahmedabad.	47	Commercial, General Management and Domain Industry.
Mr. Sujal A. Shah	B.Com, FCA	32	Commercial, Finance including Audit, Accounts, Taxation, Valuation.
Mr. Hrishikesh A. Mafatlal	Graduation in Commerce with Honors from Sydenham College and Advance Management Programme (AMP) at Harvard Business School, USA.	46	Commercial, Finance, General Management, Domain Industry, Sales and Marketing, Science and Technology.
Mr. Priyavrata H. Mafatlal	M.Com, 3 tier Management Programme at IIM, Ahmedabad and Fashion Business Course from London (UK).	15	Commercial, Finance, General Management, Domain Industry, Sales and Marketing, Science and Information Technology.

CORPORATE GOVERNANCE REPORT (Contd.)

The Independent Directors of the Company, in the opinion of the Board, fulfil the conditions of independence as specified in the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and that the Independent Directors are independent of the management of the Company.

None of the Independent Directors resigned before the expiry of their tenure.

3. AUDIT COMMITTEE

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

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

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

Sr. No.	Dates on which the Meetings of the Audit Committee were held during the year 2022-23	Mr. Vilas R. Gupte	Mrs. Latika P. Pradhan	Mr. Sujal A. Shah	Mr. Gautam G. Chakravarti
1.	May 28, 2022	Yes	Yes	Yes	Yes
2.	June 16, 2022	Yes	Yes	Yes	Yes
3.	July 29, 2022	Yes	Yes	Yes	Yes
4.	November 14, 2022	Yes	Yes	Yes	Yes
5.	February 14, 2023	Yes	Yes	Yes	Yes
6.	March 27, 2023	Yes	Yes	Yes	Yes

Yes – Attended, No – Not Attended

4. NOMINATION AND REMUNERATION COMMITTEE

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

The Nomination and Remuneration Committee of the Board of Directors of the Company consisted of three Directors viz. Mr. Pradip N. Kapadia, Mr. Vilas R. Gupte, and Mr. Gautam G. Chakravarti. All of them were Non-Executive Independent Directors of the Company. Mr. Pradip N. Kapadia is the Chairman of the Committee. Mr. Amish P. Shah, Company Secretary of the Company acted as Secretary to the Committee.

During the year under review, two Meetings of the Committee were held which were attended by the members as follows:

Sr. No.	Dates on which the Meeting of the Nomination and Remuneration Committee were held.	Mr. Pradip N. Kapadia	Mr. Vilas R. Gupte	Mr. Gautam G. Chakravarti
1.	May 27, 2022	Yes	Yes	Yes
2.	March 27, 2023	Yes	Yes	Yes

Yes – Attended, No – Not Attended

Performance evaluation of Independent Directors

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

CORPORATE GOVERNANCE REPORT (Contd.)

General

i. Well educated, experienced and possessing knowledge and competence

ii. Participation in the vision and strategy of the Company and understanding functions assigned to him/her by the Law or Board/Committees

iii. Integrity, initiative, commitment and discipline towards the role and responsibilities (including conformance with applicable laws, regulations, rules, and guidelines

iv. Exercising Independent views, prudence, and judgement, without conflict of interest

v. Maintenance of satisfactory attendance at the Meetings of the Board and committees

vi. Diligence in the preparation and remaining well-informed, taking initiative with respect to various areas

vii. Participation in the reviews of internal financial controls and performance; seeking clarifications and amplifications as required

viii. Participation in decision-making and making constructive suggestions; maintaining impartiality and team working capability

ix. Participation in risk management and material issues; providing constructive advice/ suggestions

x. Engaging in meaningful and in constructive communications; providing a fair chance to others for expressing their views

xi. Contribution in implementing and sustaining governance practices with an ongoing review of compliances

xii. Addressing the interest of all stakeholders.

Additional areas for Independent Directors

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

Remuneration of Directors

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

The Company, during the financial year 2022-23, paid sitting fees to each Non-Executive Director for attending the Meetings of the Board of Directors and the Committees @ ₹ 70,000/- per Meeting.

Mr. Hrishikesh A. Mafatlal, Chairman of the Company, voluntarily opted for a waiver of the remuneration for the financial year 2022-23.

Details of remuneration to all Directors

(₹ In Lakhs)

Sr. No.	Names of Directors	Salary, allowances, and perquisites	Commission	Sitting fees	Total
1.	Mr. Hrishikesh A. Mafatlal	-	-	-	-
2.	Mr. Atul K. Srivastava	-	-	7.00	7.00
3.	Mr. Vilas R. Gupte	-	-	12.60	12.60
4.	Mr. Pradip N. Kapadia	-	-	11.90	11.90
5.	Mrs. Latika P. Pradhan	-	-	11.20	11.20
6.	Mr. Gautam G. Chakravarti	-	-	12.60	12.60
7.	Mr. Sujal A. Shah	-	-	11.20	11.20
8.	Mr. Priyavrata H. Mafatlal*	177.18	24.96#	Nil	202.15

*Detailed break up for remuneration to Executive Director is provided in the **Annexure – C** to Directors' Report.

The commission for the financial year 2022-23 will be paid as approved by the Board of Directors in their meeting held on May 30, 2023.

No bonus or stock options given/provided to any Directors for the financial year 2022-23.

CORPORATE GOVERNANCE REPORT (Contd.)

Mr. Priyavrata H. Mafatlal, Managing Director as a part of the agreed terms of his appointment, is also entitled to a commission not exceeding 1% of the net profit of the Company, as may be determined by the Board, considering the Remuneration Policy of the Company from time to time.

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

Letters of appointment containing terms and conditions including remuneration, were issued to all Executive Directors. Besides, the appointment letters were also issued to all Independent Directors. A copy of the standard terms and conditions thereof is posted on the website at www.mafatlals.com/investors/ policies.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

During the Financial year 2022-23, one meeting of the Committee was held and attendance of the Directors was given below:

Sr. No.	Date of the Stakeholders' Relationship Committee meeting	Mr. Atul K. Srivastava	Mr. Pradip N. Kapadia	Mr. Hrishikesh A. Mafatlal
1.	March 27, 2023	Yes	Yes	Yes

Yes: Attended, No: Not Attended.

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

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

The details of complaints received from stakeholders from April 1, 2022 to March 31, 2023, are as follows:

- Number of shareholders complaints received: 13
- Complaint not resolved to the satisfaction of shareholders: Nil
- Number of pending complaints (as of March 31, 2023): Nil

6. GENERAL BODY MEETINGS

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

Sr. No.	Location	Time	Annual General Meeting and date	Whether any special resolutions passed at AGM and (No. of such resolution passed)
1.	Through Video Conferencing or Other Audio- Visual Means (VC/OAVM)	12.00 Noon	108th Annual General Meeting held on July 30, 2022	Yes (1)
2.	Through Video Conferencing or Other Audio- Visual Means (VC/OAVM)	12.30 P.M.	107th Annual General Meeting held on July 30, 2021	Yes (3)
3.	Through Video Conferencing or Other Audio- Visual Means (VC/OAVM)	12.30 P.M.	106th Annual General Meeting held on September 10, 2020	Yes (1)

CORPORATE GOVERNANCE REPORT (Contd.)

(ii) Resolutions passed last year through Postal Ballot- details of voting pattern and the procedure thereof:

Sr. No.	Particulars of Resolution	Voting Pattern	% of Votes
1.	Reclassification of authorized share capital and sub-division of equity shares of the Company (Ordinary Resolution)	Votes in favour of the Resolution	99.9998%
		Votes against the Resolution	0.0002%
2.	Alteration of Capital Clause of the Memorandum of Association of the Company, consequent to reclassification and sub-division of the Capital (Ordinary Resolution)	Votes in favour of the Resolution	99.9998%
		Votes against the Resolution	0.0002%

(iii) Person who conducted the Postal Ballot Exercise:

Mr. Umesh Ved, Practice in Company Secretary (FCS No. 4411 & C.P. No. 2924), Ahmedabad, conducted the Postal Ballot Exercise as Scrutinizer

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

(v) Procedure for postal ballot: The Postal Ballot was conducted solely through the Remote E-Voting process in accordance with the regulations set forth in Sections 108 and 110, as well as other applicable provisions of the Companies Act, 2013 and its corresponding Rules. The notices containing the proposed resolutions and explanatory statement were sent to the shareholders by email in accordance with MCA General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021 20/2021 dated December 8, 2021 and 3/2022 dated May 5, 2022 (collectively "MCA Circulars") The e-voting period was from October 8, 2022 to November 7, 2022 for 30 days. The Scrutinizer submitted the report to the Company. The voting results were announced on November 8, 2022, within 48 hours of end of the e-voting period. Under the e-voting facility, shareholders are provided an electronic platform to participate and vote on the resolutions to be passed through Postal Ballot.

7. MEANS OF COMMUNICATION

i) Quarterly Results:

The Results are submitted to BSE Limited (Bombay Stock Exchange) at which the equity shares of the Company are listed and traded, by way of email and online filing with Listing Centre of BSE Limited additionally the Results are also displayed on the Company's website at www.mafatlals.com/investors/.

ii) Newspapers wherein results normally published:

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

iii) Any website, where displayed:

All disclosures including the Financial Results are displayed by the Company on its website at www.mafatlals.com/investors.

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

v) Presentations made to institutional investors or to the analysts: **None**

8. GENERAL SHAREHOLDER INFORMATION:

i) Annual General Meeting:

109th Annual General Meeting of the Company will be held on Thursday, the 3rd day of August 2023 at 12.00 noon through Video Conferencing / Other Audio / Visual Means. However, for the purpose of record/jurisdiction, the deemed venue would be the Registered Office of the Company at 301-302, Heritage Horizon, 3rd Floor, off. C. G. Road, Navrangpura, Ahmedabad 380009.

ii) Financial year:

April 1 to March 31 every year.

iii) Dividend payment date:

N.A. The Board of Directors regretted their inability to recommend/declare any dividend for the financial year 2022-23. After considering the relevant circumstances holistically it decided that it would be prudent not to recommend any dividend.

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

The Equity Shares of the Company are listed on BSE Limited, P. J. Towers, Fort, Mumbai and Ahmedabad Stock Exchange. However, Ahmedabad Stock Exchange (ASE) is non-operational for the last many years since opted for exit under SEBI Guidelines. The trading platform of the ASE is also non-operational. ASE has advised not to file any information/ forms or compliance of listing provisions. Accordingly, the Company has paid Listing Fees for the year 2023-24 to BSE Limited only.

v) Sub-division of shares:

The Company has sub-divided the shares from face value of ₹ 10/- each into ₹ 2/- each on November 25, 2022 (Record Date). The old shares having face value of ₹ 10/- are no longer tradeable and stand cancelled. The Company has sent / dispatched the new share certificate of face value of ₹ 2/- each, to all members holding the shares in the physical mode, even without surrendering the old share certificate of face value of ₹ 10/- each, which automatically stands cancelled. The Members holding the shares in the electric form were credited with the required number of shares through corporate action in their demat account.

vi) Stock code:

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

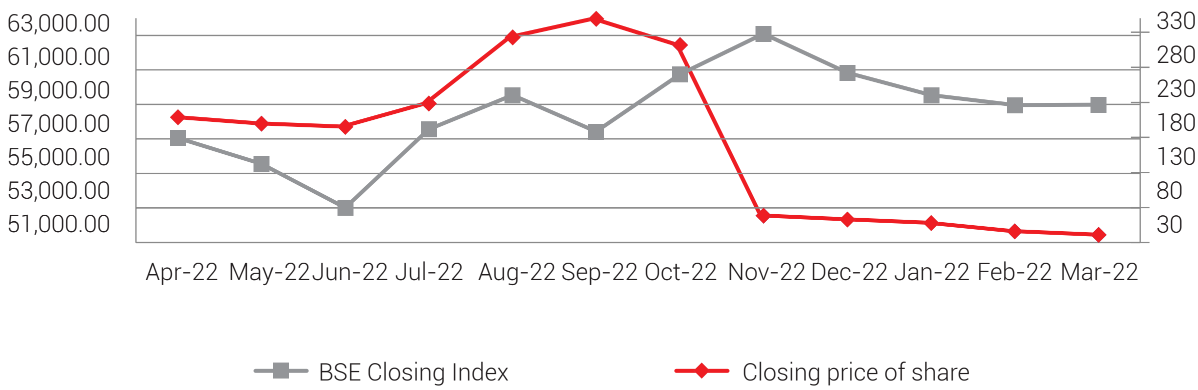
vii) Market price data high, low during each month of last Financial Year.

			Sensex		
Month	**High**	**Low**	**High**	**Low**	**No. of Trades**
Apr-22	250.05	173.50	60,845.10	56,009.07	2,166
May-22	216.40	173.30	57,184.21	52,632.48	633
Jun-22	214.60	180.85	56,432.65	50,921.22	922
Jul-22	240.00	192.25	57,619.27	52,094.25	1,049
Aug-22	322.85	217.15	60,411.20	57,367.47	2,271
Sep-22	408.00	306.75	60,676.12	56,147.23	7,285
Oct-22	399.70	300.00	60,786.70	56,683.40	3,305
*Nov-22	388.40	68.00	63,303.01	60,425.47	9,698
Dec-22	71.00	53.90	63,583.07	59,754.10	6,189
Jan-23	66.45	54.00	61,343.96	58,699.20	2,518
Feb-23	59.75	44.40	61,682.25	58,795.97	2,295
Mar-23	50.90	37.00	60,498.48	57,084.91	2,226

*1 (One) Equity Share of face value of ₹ 10/- (rupees ten only) each fully paid up into 5 (Five) Equity Shares of ₹ 2/- (rupees two only) each fully paid up with effect from November 25, 2022.

CORPORATE GOVERNANCE REPORT (Contd.)

viii) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc.: BSE – Closing Index Vs. Closing Price of Share (April 2022 to March 2023:



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

Not applicable.

x) Registrar and Share Transfer Agent

M/s. Kfin Technologies Limited, Selenium Tower B, Plot No.31&32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, India. E-mail: einward.ris@kfintech.com, Website: www.kfintech.com

xi) Share Transfer System

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

xii) Distribution of Shareholding as on March 31, 2023

Sr. No.	Category (Shares)	Number of Holders	% Holders	Number of shares*	% Equity
1	1 – 50	54,131	83.10	8,41,640	1.19
2	51 – 500	9,252	14.20	14,35,402	2.03
3	501 – 1000	628	0.96	4,87,288	0.69
4	1001 – 2000	536	0.82	8,53,294	1.21
5	2001 – 3000	202	0.31	5,03,870	0.72
6	3001 – 4000	59	0.09	2,07,767	0.29
7	4001 – 5000	70	0.11	3,34,869	0.47
8	5001 – 10000	103	0.16	7,40,623	1.05
9	10001 and above	158	0.24	6,51,92,677	92.35
	TOTAL:	**65,139**	**100.00**	**7,05,97,430**	**100.00**

*1 (One) Equity Share of face value of ₹ 10/- (rupees ten only) each fully paid up was sub-divided into 5 (Five) Equity Shares of ₹ 2/- (rupees two only) each fully paid up with effect from November 25, 2022.

CORPORATE GOVERNANCE REPORT (Contd.)

xiii) Shareholding Pattern:

Shareholding Pattern as on March 31, 2023

Sr. No.	Category	Number of Shares held*	% of holding
1.	Promoter and Promoter Group	50,022,470	70.86
2.	Mutual Funds / UTI	10,595	0.01
3.	Banks	1,037,005	1.47
4.	FIIs (Foreign Institutional Investors)	-	-
5.	Bodies Corporate	2,768,248	3.92
6.	Indian Public	15,051,428	21.32
7.	IEPF	665,260	0.94
8.	NRIs	363,879	0.52
9.	Any Other (please specify) Trust, NBFC, Insurance Company etc.	678,545	0.96
Total		**7,05,97,430**	**100.00**

*1 (One) Equity Share of face value of ₹ 10/- (Rupees Ten only) each fully paid up was sub-divided into 5 (Five) Equity Shares of ₹ 2/- (Rupees Two only) each fully paid up with effect from November 25, 2022.

xiv) Dematerialization of shares and liquidity:

The Equity shares of the Company are under compulsory Trading in demat form. The demat code of the Equity Shares of the Company is INE270B01035. As on March 31, 2023, 20,573 shareholders holding 6,92,25,080 Equity shares have dematerialized their shares which constitutes 98.06% of the total Paid-up Equity Share Capital of the Company.

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

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

xvi) Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, e-mails IDs, nomination and power of attorney should be given to the Company's RTA. Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank details, e-mail IDs, nomination and power of attorney should be given directly to the DP. For furnishing PAN, KYC details and Nomination shareholders may visit RTA website at https://ris.kfintech.com/clientservices/isr/isr1.aspx?mode=f3Y5zP9DDNI%3d

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

The Company follows a conservative and risk-averse approach towards managing its foreign currency exposure and Cotton Commodity risks. Hence, the Company endeavours to mitigate the risk associated with the exchange rate fluctuation and Cotton Commodity by entering into a hedging contract wherever it finds appropriate, with the Company's Bankers and/or permitted intermediaries in conformity with the applicable regulatory provisions and guidelines and Company Policy on risk management.

xviii) Plant Factory location:

Nadiad Unit: Kapadwanj Road, Nadiad 387001, Gujarat

Sangli Unit: MIDC, Kupwad, Taluka: Miraj, Sangli 416436, Maharashtra

Mazgaon Unit: Rambhau Bhogale Marg, Mazgaon, Mumbai 400010, Maharashtra (Non-Operational)

xix) Address for Correspondence:

Hyderabad Address:	Mumbai Address:	Ahmedabad Address:
Kfin Technologies Limited (RTA) Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana - 500 032, India. Tel: 18002094001 E-mail: einward.ris@kfintech.com website: www.kfintech.com	Kfin Technologies Limited (RTA) 6/8 Ground Floor Crossely House Near BSE Limited Next Union Bank, Fort, Mumbai - 400 001. Tel. 022- 66235353 E-mail: mumbaimfd@kfintech.com	Kfin Technologies Limited (RTA) Office No. 401 on 4th Floor, ABC-I, off. C.G. Road, Ahmedabad - 380 009. Contact No.: 9081903021/ 9081903022 E-mail: ahmedabadmfd@kfintech.com

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

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

Mafatlal Industries Limited

Corporate Identity Number: L17110GJ1913PLC000035

Registered Office:	**Corporate Office:**
301-302 Heritage Horizon, 3rd Floor, off. C. G. Road, Navrangpura, Ahmedabad – 380 009. Tel: 079 26444404-06, Fax: 079 26444403 Email: ahmedabad@mafatlals.com Website: www.mafatlals.com	Mafatlal House, 5th Floor, H.T. Parekh Marg, Backbay Reclamation, Mumbai – 400020, Telephone: +91-22-6617 3636, Fax No: +91-22-6635 7633

xx) **List of credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.**

The Company has obtained its credit rating:

Acuite Rating & research Limited

Acuite Rating & research Limited			
Dated	**Facilities**	**Amount**	**Rating**
June 17, 2022	Long Term Rating	₹ 174.00 Crores	ACUITE BBB-/Outlook: Positive (Reaffirmed)
	Short Term Rating	₹ 22.00 Crores	ACUITE A3 (Reaffirmed)
	Total	**₹ 196.00 Crores**	
CARE Ratings Limited			
August 10, 2022	Long Term Rating	₹ 161.80 Crores	CARE BBB- : Stable
	Long Term / Short Term Rating	₹ 22.00 Crores	CARE BBB- : Stable / CARE A3
	Short Term Bank Facilities	₹ 10.00 Crores	CARE A3
	Total	**₹ 193.80 Crores**	

xxi) **Other Disclosures:**

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

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

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

None

c) **Details of establishment of Vigil Mechanism, Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee:**

In conformity with the requirements of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the amended SEBI (Prohibition of Insider Trading) Regulation, 2015 the Company has devised Vigil Mechanism and has Whistle Blower Policy which gets amended wherever required, under which the Company takes cognizance of complaints made by the employees and others.

No employee of the Company/ no other person have been denied access to the Audit Committee of the Board of Directors of the Company. During the year under review, no complaints have been received from any whistle blower. The Whistle Blower Policy of the Company has been posted on the website of the Company and is available at www.mafatlals.com/investors/policies.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the said Act read with other applicable provisions. Internal Complaints Committees are constituted and regularly redress Complaints, if any. During the year under review, no complaint has been received in respect of Sexual Harassment from any of the employees of the Company and necessary disclosure for the same have been given to the concerned Government Departments for respective locations.

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

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Company has also complied with the non-mandatory requirement of direct reporting of the Internal Auditors to the Audit Committee in respect of their findings/observation on Internal Audit carried on by them on quarterly basis as per the Internal Audit plans approved by the Audit Committee.

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

The Company does not have "material subsidiary." The policy for determining material subsidiary is posted on the Company website as following link www.mafatlals.com/investors/policies

g) **Web link where policy on dealing with related party transactions:** www.mafatlals.com/investors/policies.

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

However, during the year, the Company made an allotment of 2,40,500 (after adjustment of sub-division of shares in the quantity) equity shares of ₹ 2/- each under the Mafatlal Employee Stock Option Scheme 2017 issued at ₹ 15.73/- (after adjustment of sub-division of shares in the value) per share.

i) A certificate from a Company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed to this report.

j) The Board of Directors accepted all recommendation from all the Committees of the Board during the financial year 2022-23.

k) **Total fees for all services paid by the Listed Entity and its Subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part.**

Description of Service	Amount ₹ in Lakhs
Annual Audit Fees	31.50
Fees for Limited Review Report for three quarters	12.00
Fees of Certification Services	5.50
Re-imbursement of expenses	0.80

l) **Disclosures with respect to IEPF, Demat suspense account/ unclaimed suspense account:**

In terms of Section 124 of the Companies Act, 2013, the amount that remained unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund (IEPF). During the year, an unclaimed dividend amount of ₹ 6,05,463/- for the financial year 2014-15 was transferred to the IEPF. In terms of Section 124(6) of the Companies Act, 2013, the Company has transferred 8,414 equity shares of ₹ 10/- each (42,070 equity shares of ₹ 2/- each) in respect of which the dividend has not been claimed for a period of seven years to the demat account of IEPF Authority. The Company had communicated to all the concerned shareholders individually whose shares were liable to be transferred to IEPF. The Company had also given newspaper advertisements before such transfer in favour of IEPF. The Company had also uploaded the details of such shareholders and shares transferred to IEPF on the website of the Company at www.mafatlal.com under "investors" section.

Suspense Escrow Demat Account	
Non-receipt of demat request from the investor within 90 days of issuance of the Letter of Confirmation by Registrar and Share Transfer Agent ('RTA') for transfer of shares request. (In terms of SEBI Circular dated December 12, 2020)	Nil
Non-receipt of demat request from the investor within 120 days of issuance of the Letter of Confirmation by RTA for transmission / name deletion request. (In terms of SEBI Circular dated January 25, 2022)	Nil

CORPORATE GOVERNANCE REPORT (Contd.)

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

The Company has complied with all Corporate Governance requirements as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

n) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. Number of complaints pending at the beginning of the year (April 1, 2022): **NIL**

b. Number of complaints filed during the financial year: **NIL**

c. Number of complaints disposed-off during the financial year: **NIL**

d. Number of complaints pending as at the end of the financial year (March 31, 2023): **NIL**

e. The Company laid down a procedure to inform Board Members about the risk assessment and risk mitigation mechanisms, periodically reviewed and reported to the Board of Directors by senior executives.

o) Disclosure of accounting treatment different from accounting standards:

None

p) Code of Conduct for Board Members and Senior Management:

The Board of Directors laid down a Code of Conduct for all Board Members and members of the senior management.

The Code was placed on the Company's website - www.mafatlals.com. A certificate from the Chief Executive Officer, affirming compliance of the said Code by all the Board members and members of the senior management to whom the Code was applicable, is annexed to this report. Further, the Directors and the Senior Management of the Company submitted a disclosure to the Board that they do not have any material financial and commercial transactions that may have a potential conflict with the interest of the Company at large.

q) Disclosure on loans or advances:

There have been no loans or advances extended by the Company or its subsidiaries, which bear resemblance to loan to any firms or companies where the Directors of the Company hold an interest.

r) CEO/ CFO certification

The Chief Executive Officer and Chief Financial Officer of the Company give (a) annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of Listing Regulations (b) quarterly certification on the financial results to the Board in terms of listing regulations.

For and on behalf of the Board of Directors
Mafatlal Industries Limited.

Hrishikesh A. Mafatlal
Chairman
(DIN 00009872)

Place: Mumbai
Date: May 30, 2023

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

ANNEXURE TO CORPORATE GOVERNANCE REPORT

Declaration regarding Affirmation of Code of Conduct

In terms of the requirements of Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, this is to confirm that all the members of the Board and Senior Management personnel of the Company have affirmed the compliances with the Code of Conduct of the Company for the year ended March 31, 2023.

M. B. Raghunath
Chief Executive Officer (CEO)
Place: Mumbai
Date: May 30, 2023

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

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
Mafatlal Industries Limited

We have examined the compliance of conditions of Corporate Governance by Mafatlal Industries Limited, for the year ended March 31, 2023 as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

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

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

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

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

Pankaj Khandelia
Partner
Membership number: 102022
UDIN: 23102022BGTWNN5128

Place: Mumbai
Date: May 30, 2023

ANNEXURE III TO DIRECTORS' REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANICAL YEAR ENDED ON 31ST MARCH, 2023

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

To,
The Members,
MAFATLAL INDUSTRIES LIMITED,
301-302, Heritage Horizon, Third Floor, off. C. G. Road,
Navrangpura, Ahmedabad - 380009

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit covering the year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms, and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not attracted during year under review)

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period)

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable to the Company during the Audit Period)'and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the Audit Period)

(vi) We have relied on the representation made by the Company, its Officers and on the reports given by designated professionals for systems and processes formed by the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations to the Company.

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

   1. Explosives Act, 1884
   2. Essential Commodities Act, 1955

SECRETARIAL AUDIT REPORT (Contd.)

3. Textile Committee Act, 1963
4. Textile (Development & Regulation) Order, 2001.
5. Textile (Consumer Protection) Regulations, 1988
6. Electricity Act, 2003
7. Public Liability Insurance Act, 1991
8. Information Technology Act, 2000
9. The Factories Act, 1948

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

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

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

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except one meeting which was convene on short notice with the consent of all directors including independent directors following due procedures prescribed under applicable provisions/standards 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.

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

We further report that during the Audit period the Company has following specific event/action having a major bearing on the Company's Affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc.: -

1. The Company has reclassified its existing Authorized Share Capital of ₹ 100/- Crores into Equity Share Capital of ₹ 70,00,00,000/- (Rupees Seventy Crores) divided into 35,00,00,000 equity shares of ₹ 2/- each aggregating to ₹ 70,00,00,000/- (Rupees Seventy Crores) and Preference Share Capital of ₹ 30,00,00,000/- (Rupees Thirty Crores) divided into 3,00,00,000/- (Rupees Three Crores) preference shares of ₹ 10/- each aggregating to ₹ 30,00,00,000/- (Rupees Thirty Crores).

2. In terms of the provisions of section 230 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, the board of director of the Company in its meeting held on November 14, 2022 has approved the scheme of arrangement with its shareholders for the purpose of reduction and reorganization of share capital of the Company and the application for the same is made to BSE for approval.

Umesh Ved
Umesh Ved & Associates
Company Secretaries
FCS No.: 4411
COP No.: 2924
Peer Review No. 766/2020
UDIN: F004411E000421047

Place: Ahmedabad
Date: May 30, 2023

To,

The Members,
MAFATLAL INDUSTRIES LIMITED,
301-302, Heritage Horizon, Third Floor, off. C. G. Road,
Navrangpura, Ahmedabad - 380009

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

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

Umesh Ved
Umesh Ved & Associates
Company Secretaries
FCS No.: 4411
COP No.: 2924
Peer Review No. 766/2020
UDIN: F004411E000421047

Place: Ahmedabad
Date: May 30, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

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

Umesh Ved
Umesh Ved & Associates
Company Secretaries
FCS No.: 4411
COP No.: 2924
Peer Review No. 766/2020
UDIN: F004411E000421102

Place: Ahmedabad
Date: May 30, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Mafatlal Industries Limited

Report on the audit of the standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Mafatlal Industries Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Assessment of recoverability of deferred tax assets Refer Note 36(e) to the standalone financial statements. The Company has recognised Deferred Tax Assets (DTA) on temporary differences and unabsorbed depreciation as it is considered to be recoverable based on the Company's projected taxable profits in the forecast period. The carrying value of DTA (net) is ₹ 498.11 Lakhs as at March 31, 2023. We considered this a key audit matter because significant judgement is required by the Company in determining the recoverability of DTA recognised on unabsorbed depreciation as the realisation of tax benefits is dependent on future taxable profits and there are inherent uncertainties involved in forecasting such profits.	Our audit procedures included the following • Evaluation of the design and testing operating effectiveness of Company's controls relating to the assessment of carrying amount of deferred tax assets. • Assessed the appropriateness of the Company's accounting policy in respect of recognizing deferred tax assets on unabsorbed depreciation and temporary differences. • Obtained the future taxable profit projections prepared by the management and performed enquiries to understand the assumptions used in such preparation. • Assessed the appropriateness of tax rate applied to the taxable profit forecasts. • Evaluated whether the unabsorbed depreciation, on which deferred tax asset is recognised, has been assessed by the tax authorities and is available for utilisation in accordance with the provisions of the Income-tax Act, 1961. • Verified the mathematical accuracy of the calculations underlying the profit projections. • Assessed the adequacy of disclosures made in the standalone financial statements with regard to deferred taxes. • Verified the income tax computation for the current year resulting in a reversal of the deferred tax assets from the previous year. Based on the above procedures, Management's assessment of recoverability of deferred tax assets was considered to be reasonable.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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

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

7. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **"Annexure B"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the accounting standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Notes 43 and 50 to the standalone financial statements.

ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at March 31, 2023.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

INDEPENDENT AUDITOR'S REPORT (Contd.)

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries [Refer Note 53(vi) to the standalone financial statements];

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries [Refer Note 53(vi) to the standalone financial statements]; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 01, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

15. The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Pankaj Khandelia
Partner
Membership Number: 102022
UDIN: 23102022BGTWNJ8292

Place: Mumbai
Date: May 30, 2023

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Mafatlal Industries Limited on the standalone financial statements for the year ended March 31, 2023

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

1. We have audited the internal financial controls with reference to standalone financial statements of Mafatlal Industries Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for Internal Financial Controls

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

Auditor's responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT (Contd.)

subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Pankaj Khandelia
Partner
Membership Number: 102022
UDIN: 23102022BGTWNJ8292

Place: Mumbai
Date: May 30, 2023

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Mafatlal Industries Limited on the standalone financial statements as of and for the year ended March 31, 2023

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than self-constructed properties and properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Notes 3, 4 and 17 on Property, Plant and Equipment, Investment Properties and Assets held for sale respectively, to the standalone financial statements, are held in the name of the Company except for a leasehold land of gross and net book value of ₹ 0.08 Lakhs, where the Company is in the process of getting the expired lease renewed (Refer Note 4 to the standalone financial statements).

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.

ii. (a) The physical verification of inventory (excluding stocks with third parties and goods in transit) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account [Also refer Note 53(xii) to the standalone financial statements].

iii. (a) The Company has granted unsecured loans to employees. The aggregate amount during the year is ₹ 4.78 Lakhs, and balance outstanding at the balance sheet date with respect to such loans is ₹ 2.13 Lakhs. The Company has not made any investments, granted secured loans / advances in nature of loans, or stood guarantee, or provided securities during the year to any parties.

(b) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(c) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.

(e) There were no loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.

(f) There were no other loans/advances in nature of loans which were granted during the year, including to promoters/related parties.

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT (Contd.)

iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order is not applicable to the Company.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for the dues in respect of employees' state insurance and duty of excise, the Company is regular in depositing undisputed statutory dues, including provident fund, income tax, sales tax, service tax, goods and services tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 43(f) to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

The extent of the arrears of statutory dues outstanding as at March 31, 2023, for a period of more than six months from the date they became payable are as follows:

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

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of employees' state insurance, provident fund, goods and service tax and value added tax which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount unpaid (₹ in Lakhs) #	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Central Excise	13.41	1998-2000, 2002-03	Supreme Court
Central Excise Act, 1944	Central Excise	39.43	1989-1990 to 2003-2004	Commissioner of Central Excise (Appeals)
Central Excise Act, 1944	Central Excise	8.11	1999-2000	Commissioner of Central Excise
Central Excise Act, 1944	Central Excise	81.33	1997-1999	Appellate Tribunal
Central Excise Act, 1944	Central Excise	2,914.72	2007-2008 to 2009-2010	Gujarat High Court
Central Excise Act, 1944	Central Excise	1.41	2006-2011	Assistant Commissioner of Central Excise
Customs Act, 1944	Customs Duty	4.79	1989-1990 to 1999-2000	Joint Director General of Foreign Trade
Maharashtra Value Added Tax	Sales Tax	23.22	1999-2000	Joint Commissioner of Sales Tax (Appeals) – II
Central Sales Tax Act, 1956	Sales Tax	0.92	1999-2000	Joint Commissioner of Sales Tax (Appeals) – II
Finance Act, 1994	Service Tax	0.70	1997-1999	Appellate Tribunal
Income Tax Act, 1961	Income Tax	138.50	Assessment Year 1997-1998	Bombay High Court
Income Tax Act, 1961	Income Tax	1,903.26	Assessment Years 1997-1998, 1998-1999, 2012-2013, 2015-16 to 2019-20	Commissioner of Income Tax

Net of amount paid under protest

Also refer Note 43 to the standalone financial statements.

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT (Contd.)

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained [Also refer Note 53(ix) to the standalone financial statements].

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT (Contd.)

with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 52 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Pankaj Khandelia
Partner
Membership Number: 102022
UDIN: 23102022BGTWNJ8292

Place: Mumbai
Date: May 30, 2023

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	9,101.86	9,275.88
Right-of-use assets	3(b)(i)	73.74	-
Investment properties	4	233.94	235.65
Intangible assets	5	70.81	141.28
Financial assets			
i. Investment in subsidiaries	6(A)(a)	27.50	72.50
ii. Other investments	6(A)(b),(B),(C)	52,288.19	63,295.36
iii. Other financial assets	8	695.03	752.93
Deferred tax assets (net)	36(e)	498.11	777.57
Other non-current assets	9	70.66	53.39
Non-current tax assets (net)	36(h)	1,620.84	1,480.41
Total non-current assets		**64,680.68**	**76,084.97**
Current assets			
Inventories	10	10,624.28	7,195.88
Financial assets			
i. Investments	7	-	3.15
ii. Trade receivables	11	28,585.86	25,415.77
iii. Cash and cash equivalents	12	4,883.41	5,285.64
iv. Bank balances other than (iii) above	13	2,423.67	3,692.77
v. Loans	14	2.13	0.52
vi. Other financial assets	15	2,054.31	1,575.82
Other current assets	16	4,246.38	2,864.12
Assets held for sale	17	0.75	0.13
Total current assets		**52,820.79**	**46,033.80**
TOTAL ASSETS		**1,17,501.47**	**1,22,118.77**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18(a)	1,411.88	1,407.07
Other equity	18(b)		
i. Reserves and surplus		11,734.33	7,888.94
ii. Other reserves		48,316.19	59,298.59
Total Equity		**61,462.40**	**68,594.60**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	19	2,614.67	4,386.11
ii. Lease liabilities	3(b)(ii)	38.33	-
iii. Other financial liabilities	20	1,968.86	1,929.38
Other non-current liabilities	21	95.63	141.13
Total non-current liabilities		**4,717.49**	**6,456.62**
Current liabilities			
Financial liabilities			
i. Borrowings	22	6,745.44	6,816.14
ii. Trade payables	23		
- total outstanding dues of micro enterprises and small enterprises; and		1,331.55	1,018.19
- total outstanding dues of creditors other than micro enterprises and small enterprises		35,750.84	33,654.66
iii. Lease liabilities	3(b)(ii)	37.27	-
iv. Other financial liabilities	24	3,041.71	2,410.16
Provisions	25	1,264.85	1,210.02
Other current liabilities	26	3,113.20	1,369.59
Current tax liabilities (net)	36(i)	-	20.59
Liabilities directly associated with assets held for sale (net)		36.72	568.20
Total current liabilities		**51,321.58**	**47,067.55**
Total liabilities		**56,039.07**	**53,524.17**
TOTAL EQUITY AND LIABILITIES		**1,17,501.47**	**1,22,118.77**

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

In terms of our report attached

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

For and on behalf of the Board of Directors

Pankaj Khandelia
Partner
Membership Number: 102022

Place: Mumbai
Date: May 30, 2023

H. A. Mafatlal
Chairman
(DIN: 00009872)

Place: Mumbai
Date: May 30, 2023

P. H. Mafatlal
Managing Director
(DIN: 02433237)

Place: Sydney
Date: May 30, 2023

M. P. Shah
Chief Financial Officer

Place: Mumbai
Date: May 30, 2023

A. P. Shah
Company Secretary

Place: Mumbai
Date: May 30, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
Revenue from operations	27	1,37,052.29	99,939.51
Other income	28(a)	2,206.63	1,708.11
Other gains / (losses) (net)	28(b)	2,303.46	4,728.68
Total income		**1,41,562.38**	**1,06,376.30**
EXPENSES			
Cost of materials consumed	29	20,057.50	17,550.93
Purchases of stock-in-trade		90,662.03	66,068.05
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(3,460.66)	(4,392.05)
Employee benefits expense	31	5,203.93	4,153.43
Finance costs	32	1,771.75	1,859.39
Depreciation and amortization expense	33	1,536.18	1,567.07
Other expenses	34	21,710.52	15,328.51
Total expenses		**1,37,481.25**	**1,02,135.33**
Profit before exceptional items and tax		**4,081.13**	**4,240.97**
Exceptional items	35	(53.57)	(1,016.72)
Profit before tax		**4,027.56**	**3,224.25**
Tax expense	36(a)		
- Current tax		-	-
- Deferred tax charge		(279.46)	(295.14)
Total tax expense		**(279.46)**	**(295.14)**
Profit for the year		**3,748.10**	**2,929.11**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
- Changes in fair value of FVOCI equity instruments	18(b)	(10,876.04)	18,950.54
- Remeasurements of post-employment benefit obligations charge	41	(234.44)	(108.67)
Total Other Comprehensive Income for the year		**(11,110.48)**	**18,841.87**
Total Comprehensive Income for the year		**(7,362.38)**	**21,770.98**
Earnings per equity share of ₹ 2/- each	46		
Basic		5.32	4.19
Diluted		5.28	4.18

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

In terms of our report attached

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

Pankaj Khandelia
Partner
Membership Number: 102022

Place: Mumbai
Date: May 30, 2023

For and on behalf of the Board of Directors

H. A. Mafatlal
Chairman
(DIN: 00009872)

Place: Mumbai
Date: May 30, 2023

P. H. Mafatlal
Managing Director
(DIN: 02433237)

Place: Sydney
Date: May 30, 2023

M. P. Shah
Chief Financial Officer

Place: Mumbai
Date: May 30, 2023

A. P. Shah
Company Secretary

Place: Mumbai
Date: May 30, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY

AS AT MARCH 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

A. Equity share capital

Description	Notes	Total
As at April 01, 2021		1,392.37
Changes in equity share capital during the year	18(a)	14.70
As at March 31, 2022		**1,407.07**
Changes in equity share capital during the year	18(a)	4.81
As at March 31, 2023		**1,411.88**

B. Other equity

Particulars	Attributable to owners of Mafatlal Industries Limited												Total
	Reserves and Surplus											Other Reserves	
	Securities premium reserve	Retained Earnings	Capital reserve No.1	Capital reserve No. 2	Capital Reserve on Amalgamation	General Reserve	Capital Redemption Reserve	Capital Investment Reserve	Investment Reserve	ESOP Reserve	Export Profit Reserve	FVOCI - Equity instruments	
As at April 01, 2021	**17,463.00**	**(25,465.26)**	**61.16**	**35.00**	**3,634.48**	**620.00**	**8,383.14**	**75.96**	**1.78**	**93.35**	**20.00**	**40,348.05**	**45,270.66**
Profit for the year	-	2,929.11	-	-	-	-	-	-	-	-	-	-	2,929.11
Other comprehensive income	-	(108.67)	-	-	-	-	-	-	-	-	-	18,950.54	18,841.87
Total comprehensive income	**-**	**2,820.44**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**18,950.54**	**21,770.98**
Employee share-based payment expense	-	-	-	-	-	-	-	-	-	44.97	-	-	44.97
ESOP grants excercised	163.45	-	-	-	-	-	-	-	-	(62.53)	-	-	100.92
As at March 31, 2022	**17,626.45**	**(22,644.82)**	**61.16**	**35.00**	**3,634.48**	**620.00**	**8,383.14**	**75.96**	**1.78**	**75.79**	**20.00**	**59,298.59**	**67,187.53**
Profit for the year	-	3,748.10	-	-	-	-	-	-	-	-	-	-	3,748.10
Other comprehensive income	-	(234.44)	-	-	-	-	-	-	-	-	-	(10,876.04)	(11,110.48)
Total comprehensive income	**-**	**3,513.66**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(10,876.04)**	**(7,362.38)**
Employee share-based payment expense	-	-	-	-	-	-	-	-	-	192.35	-	-	192.35
Transfer of gain on FVOCI Equity Instruments to Retained Earnings	-	106.36	-	-	-	-	-	-	-	-	-	(106.36)	-
ESOP grants excercised	45.08	-	-	-	-	-	-	-	-	(12.06)	-	-	33.02
As at March 31, 2023	**17,671.53**	**(19,024.80)**	**61.16**	**35.00**	**3,634.48**	**620.00**	**8,383.14**	**75.96**	**1.78**	**256.08**	**20.00**	**48,316.19**	**60,050.52**

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

In terms of our report attached

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

Pankaj Khandelia
Partner
Membership Number: 102022

Place: Mumbai
Date: May 30, 2023

For and on behalf of the Board of Directors

H. A. Mafatlal
Chairman
(DIN: 00009872)

Place: Mumbai
Date: May 30, 2023

P. H. Mafatlal
Managing Director
(DIN: 02433237)

Place: Sydney
Date: May 30, 2023

M. P. Shah
Chief Financial Officer

Place: Mumbai
Date: May 30, 2023

A. P. Shah
Company Secretary

Place: Mumbai
Date: May 30, 2023

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A.	**Cash flows from operating activities**		
	Profit before exceptional items and tax	4,081.13	4,240.97
	Adjustments for:		
	Employee share-based payment expense	192.35	44.97
	Depreciation and amoritsation expense	1,536.18	1,567.07
	Finance costs	1,771.75	1,859.39
	Net gain on disposal of property, plant and equipment and investment properties	(1,849.81)	(4,692.45)
	Net gain on sale of subsidiary [Refer Note 49(a)]	(362.48)	-
	Interest income	(204.68)	(185.48)
	Apportioned income from Government grants	(101.95)	(130.18)
	Dividend income from equity investments designated at fair value through other comprehensive income	(758.90)	(511.22)
	Rental income from investment properties	(311.76)	(359.03)
	Utility / business service / air-conditioning charges and other receipts in respect of investment properties	(464.94)	(411.07)
	Liabilities / provisions no longer required written back	(104.26)	(42.80)
	Bad debts written off	140.98	261.57
	Advances written off	26.77	40.10
	Loss allowance on trade receivables / (written back)	293.34	(425.47)
	Loss allowance on deposits	164.69	98.79
	Net unrealized exchange gain	(53.14)	(17.69)
	Operating profit before working capital changes	**3,995.27**	**1,337.47**
	Changes in working capital		
	Adjustments for:		
	Increase in inventories	(3,428.40)	(4,748.92)
	Increase in trade and other receivables	(5,623.85)	(3,391.23)
	Increase in trade and other payables	4,818.70	9,164.84
	(Decrease) / increase in provisions	(179.61)	29.76
		(4,413.16)	**1,054.45**
	Cash (used in) / generated from operations	**(417.89)**	**2,391.92**
	Direct taxes paid (net of refund received)	(161.02)	(399.48)
	Exceptional items	(53.57)	(1,016.72)
	Net cash (outflow) / inflow from operating activities	**(632.48)**	**975.72**
B.	**Cash flows from investing activities**		
	Payments for property, plant and equipment and intangible assets	(1,526.15)	(423.62)
	Payments for investment properties	(15.90)	-
	Proceeds from sale of investment properties	787.75	2,000.00
	Proceeds from sale of property, plant and equipment / assets held for sale	775.31	4,409.15
	Purchase of investments	(10.00)	(17.50)
	Proceeds from sale of investments	144.28	70.40
	Proceeds from sale of subsidiary	407.48	-
	Term deposits matured / (placed) with banks (net)	1,330.36	(1,378.45)
	Interest income	220.08	185.48
	Dividend income from equity investments designated at fair value through other comprehensive income	758.90	511.22
	Rental income from investment properties	311.76	359.03
	Utility / business service / air-conditioning charges and other receipts in respect of investment properties	464.94	411.07
	Net cash inflow from investing activities	**3,648.81**	**6,126.78**

STANDALONE STATEMENT OF CASH FLOWS (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
C.	**Cash flows from financing activities**		
	Proceeds from issues of equity shares	37.83	115.61
	Non-current borrowings taken	169.88	29.65
	Non-current borrowings repaid	(1,639.77)	(2,454.68)
	Current borrowings taken / (repaid) (net)	(353.36)	(1,174.56)
	Principal element of lease payment	(8.69)	-
	Interest paid on lease liabilities	(3.63)	-
	Interest paid (including other finance costs)	(1,620.82)	(1,862.10)
	Net cash outflow from financing activities	**(3,418.56)**	**(5,346.08)**
	Net (decrease) / increase in cash and cash equivalents	**(402.23)**	**1,756.42**
	Cash and cash equivalents at the beginning of the year	**5,285.64**	**3,529.22**
	Cash and cash equivalents at the end of the year (Refer Note 12)	**4,883.41**	**5,285.64**

Note:

The above Statement of Cash Flows has been prepared under the indirect method as set of in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

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

In terms of our report attached

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

Pankaj Khandelia
Partner
Membership Number: 102022

Place: Mumbai
Date: May 30, 2023

For and on behalf of the Board of Directors

H. A. Mafatlal
Chairman
(DIN: 00009872)
Place: Mumbai
Date: May 30, 2023

P. H. Mafatlal
Managing Director
(DIN: 02433237)
Place: Sydney
Date: May 30, 2023

M. P. Shah
Chief Financial Officer
Place: Mumbai
Date: May 30, 2023

A. P. Shah
Company Secretary
Place: Mumbai
Date: May 30, 2023

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

1. Background

Mafatlal Industries Limited (the "Company") is a public limited Company incorporated in India having registered office at Ahmedabad, Gujarat. The shares are listed on the Bombay Stock Exchange. The Company belongs to the reputed industrial house of Arvind Mafatlal Group in India, established in 1905. The Company is engaged in textile manufacturing having its manufacturing unit at Nadiad, Gujarat and trading of textile, technology and its related products.

2. Significant accounting policies

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

a. Basis of preparation

(i) *Compliance with Ind AS*

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

(ii) *Historical cost convention*

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

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

(iii) *New amended standards adopted by the Company*

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 01, 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) *New amendments issued but not effective*

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards, and are effective April 01, 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

b. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM consists of Chairman and Managing Director who are responsible for allocating resources and assessing performance of the operating segments. Refer Note 45 for segment information presented.

c. Foreign currency transactions

(i) *Functional and presentation currency*

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

(ii) *Transactions and balances*

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

d. Revenue Recognition

Sale of goods

Revenue is recognized when the control of the goods is transferred to customer, being when the goods are shipped or delivered to the customer and there are no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been shipped or delivered to the specific location as the case may be, the risks of obsolescence and loss has been transferred, and either the customer has accepted the goods in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

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

A receivable is recognized when the goods are shipped or delivered, as per the terms of sales contract as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Sale of services

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

e. Income tax

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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

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

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

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

f. Government grants

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

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

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

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

g. Leases

As a lessee

The Company's lease asset classes primarily consist of

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

As a lessor

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

h. Property, plant and equipment

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

Subsequent costs are included in the carrying amount of asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

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

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

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

Depreciation methods, estimated useful lives and residual value

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

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

Asset category	Estimated useful life
Buildings	30 to 60 years
Plant and Machinery	9.5 years
Furniture and Fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers and hardware	3 years

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

Leasehold improvements are amortized over the period of lease or estimated useful lives of such assets, whichever is lower. Period of lease is either the primary lease period or where the Company as a lessee has the right of renewal of lease, and it is intended to renew for further periods, then such extended period.

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Individual assets acquired for less than ₹ 0.05 Lakhs are entirely depreciated in the year of acquisition. The residual values are not more than 5% of the original cost of the asset.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2016 measured under IGAAP as the deemed cost of the property, plant and equipment.

i. Intangible assets

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

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

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

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

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

On transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognized as at April 01, 2016 measured under IGAAP as the deemed cost of an intangible asset.

Research and development

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

j. Investment properties

Land and building that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Company, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property.

Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

The building component of investment properties net of residual value are depreciated using the straight-line method over their estimated useful life of 30 to 60 years from the date of capitalization.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment property recognized as at April 01, 2016 measured under IGAAP as the deemed cost of investment property.

k. Impairment of assets

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

l. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

m. Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognized initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method, less loss allowance.

n. Trade and other payables

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

measured at amortized cost using the effective interest method .

o. Inventories

Raw materials, packing materials, work-in-progress, finished goods, goods in transit, stock-in-trade, stores and spares other than specific spares for machinery are valued at cost or net realizable value whichever is lower.

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

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

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

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

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

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

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

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

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

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

q. Investments and other financial assets

(i) Classification

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

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

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

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

(ii) Initial recognition and measurement

Regular way purchases and sales of financial assets are recognized on trade-date, being the date on which the Company commits to purchase or sale financial assets. At initial recognition, the Company measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(iii) Subsequent measurement

After initial recognition, financial assets are measured at:

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

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

Debt instruments

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

- *Measured at amortized cost*

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

- *Measured at fair value through Other Comprehensive Income (FVOCI)*

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

- *Measured at fair value through profit or loss (FVPL)*

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

Equity instruments

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

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

Investments in subsidiary company, associate company and joint venture company

Investments in subsidiary company is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies, associate company and joint venture the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

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

Fair Value hierarchy

The judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements in the Note 37. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as follows:

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

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(iv) *Impairment of financial assets*

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

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

Note 39 details how the Company determines whether there has been a significant increase in credit risk.

(v) *Derecognition of financial assets*

A financial asset is derecognized only when

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

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

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

(vi) *Income recognition*

- *Interest income*

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

- *Dividends*

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

r. Financial liabilities and equity instruments

(i) *Classification as debt or equity*

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

(ii) *Initial recognition and measurement*

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

(iii) *Subsequent measurement*

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

(iv) *Derecognition*

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

s. Offsetting financial instruments

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

t. Derivative instruments

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

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

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

u. Borrowings

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

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the Statement of Profit and Loss as other gains/ (losses).

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

v. Borrowing costs

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

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

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

w. Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each reporting period and reflect the best current estimate. Provisions are not recognized for future operating losses.

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

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

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

Contingent assets are not recognized in the financial statements unless it is virtually certain that the future event will confirm the asset's existence and the asset will be realized.

x. Employee benefits

(i) Short-term employee benefits

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

(ii) Other Long-term employee benefits

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) *Post-employment obligations*

Defined Benefits plan

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

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

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

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

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

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

Defined contribution plan

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

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

(iv) *Share based payments*

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

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

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where shares are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognized in relation to such shares are reversed effective from the date of the forfeiture.

y. Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

z. Cash flow statement

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

aa. Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

ab. 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.

ac. Exceptional Items

Exceptional items include income or expense that are considered to be part of ordinary activities, however, are of such significance and nature that separate disclosure enables the user of the financial statements to understand the impact in a more meaningful manner. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company.

ad. Rounding of amounts

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

2.1 Critical estimates and judgements

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

The areas involving critical estimates or judgements are:

- Estimation of useful life of property, plant and equipment: Note 2(h) and Note 3(a)
- Loss Allowance on trade receivables: Refer Notes 11 and 39
- Recoverability of deferred tax assets: Refer Note 36
- Estimation of defined benefit obligation: Note 41
- Contingent Liabilities: Note 43

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 3(a) - Property, plant and equipment

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers and harware	Leasehold improvements	Railway sidings	Total
Year ended March 31, 2022										
I. Gross carrying amount										
Opening gross carrying amount	10.47	2,163.06	13,753.36	392.24	202.62	558.42	7.87	149.00	0.13	17,237.17
Additions	-	196.48	136.60	7.46	49.13	11.42	23.06	-	-	424.15
Transfer to assets held for Sale (Refer Note 17)	(0.03)	-	-	-	-	-	-	-	-	(0.03)
Disposals	(5.21)	(708.56)	(594.28)	(124.69)	(18.91)	(28.86)	-	(149.00)	-	(1,629.51)
Closing gross carrying amount	**5.23**	**1,650.98**	**13,295.68**	**275.01**	**232.84**	**540.98**	**30.93**	**-**	**0.13**	**16,031.78**
II. Accumulated depreciation										
Opening accumulated depreciation	-	329.47	5,124.00	164.13	144.27	392.03	0.55	136.17	-	6,290.62
Depreciation charge during the year	-	65.67	1,257.89	36.35	19.08	49.27	6.45	-	-	1,434.71
Disposals	-	(162.93)	(557.39)	(77.56)	(13.94)	(21.44)	-	(136.17)	-	(969.43)
Closing accumulated depreciation	**-**	**232.21**	**5,824.50**	**122.92**	**149.41**	**419.86**	**7.00**	**-**	**-**	**6,755.90**
III. Net carrying amount (I - II)	**5.23**	**1,418.77**	**7,471.18**	**152.09**	**83.43**	**121.12**	**23.93**	**-**	**0.13**	**9,275.88**

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers and harware	Railway sidings	Total
Year ended March 31, 2023									
I. Gross carrying amount									
Opening gross carrying amount	5.23	1,650.98	13,295.68	275.01	232.84	540.98	30.93	0.13	16,031.78
Additions	-	377.69	727.80	35.89	273.73	32.17	41.67	-	1,488.95
Disposals	(0.02)	(0.08)	(361.34)	-	(61.88)	-	-	-	(423.32)
Closing gross carrying amount	**5.21**	**2,028.59**	**13,662.14**	**310.90**	**444.69**	**573.15**	**72.60**	**0.13**	**17,097.41**
II. Accumulated depreciation									
Opening accumulated depreciation	-	232.21	5,824.50	122.92	149.41	419.86	7.00	-	6,755.90
Depreciation charge during the year	-	66.89	1,244.48	25.36	33.50	32.42	15.83	-	1,418.48
Disposals	-	(0.01)	(129.96)	-	(48.86)	-	-	-	(178.83)
Closing accumulated depreciation	**-**	**299.09**	**6,939.02**	**148.28**	**134.05**	**452.28**	**22.83**	**-**	**7,995.55**
III. Net carrying amount (I - II)	**5.21**	**1,729.50**	**6,723.12**	**162.62**	**310.64**	**120.87**	**49.77**	**0.13**	**9,101.86**

Notes:

(i) Refer Note 48(a) for information on property, plant and equipment pledged as security by the Company.

(ii) Refer Notes 21, 26 and 47 for government grants related to property, plant and equipment.

(iii) The title deeds of immovable properties (other than self-constructed properties and properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company (Also refer Notes 3(b), 4 and 17).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 3(b) - Leases

(i) Right of Use Assets

Particulars	As at March 31, 2023	As at March 31, 2022
I. Gross carrying amount - Building		
Opening gross carrying amount	-	-
Additions	84.29	-
Disposals	-	-
Closing gross carrying amount	**84.29**	**-**
II. Accumulated depreciation - Building		
Opening accumulated depreciation	-	-
Depreciation charge during the year	10.55	-
Disposals	-	-
Closing accumulated depreciation	**10.55**	**-**
III. Net carrying amount (I - II)	**73.74**	**-**

(ii) Lease Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current	37.27	-
Non current	38.33	-
Total	**75.60**	**-**

(iii) Amounts recognized in the Standalone Statement of Profit and Loss

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation of right of use assets - Building (Refer Note 33)	10.55	-
Interest expense (included in finance costs) (Refer Note 32)	3.63	-
Expense relating to short-term leases (included in other expenses) (Refer Note 34)	10.73	9.06
Total	**24.91**	**9.06**

(iv) The total cash outflow for leases for the year ended March 31, 2023 was ₹ 23.05 (March 31, 2022 was ₹ 9.06) (including short term lease payments).

Note 4 - Investment Properties

Particulars	As at March 31, 2023	As at March 31, 2022
I. Gross carrying amount		
Opening gross carrying amount	258.91	1,267.37
Additions	15.90	-
Transfer to assets held for sale (Refer Note 17)	(1.03)	-
Disposals	(0.17)	(1,008.46)
Closing gross carrying amount	**273.61**	**258.91**
II. Accumulated depreciation		
Opening accumulated depreciation	23.26	271.96
Depreciation charge during the year	16.75	32.06
Transfer to assets held for sale (Refer Note 17)	(0.28)	-
Disposals	(0.06)	(280.76)
Closing accumulated depreciation	**39.67**	**23.26**
III. Net carrying amount (I - II)	**233.94**	**235.65**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

(i) The investment property consists of buildings and leasehold land.

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

Particulars	As at March 31, 2023	As at March 31, 2022
Income from investment property [Refer note 28(a)]	776.70	770.10
Direct operating expenses towards income from investment property that generated income	(604.26)	(643.81)
Profit from investment properties before depreciation	**172.44**	**126.29**
Depreciation	(16.75)	(32.06)
Profit from investment properties	**155.69**	**94.23**

(iii) Leasing arrangements

(a) Operating leases

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

Particulars	As at March 31, 2023	As at March 31, 2022
Within one year	286.81	247.44
Later than one year but not later than five years	334.08	298.31
Total	**620.89**	**545.75**

b) Finance leases

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

(iv) Fair value of investment properties

Particulars	As at March 31, 2023	As at March 31, 2022
Investment properties	7,229.44	10,624.65

Estimation of fair value

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

(v) The Company is in the process of getting expired lease renewed in respect of the Lower Parel land with gross and net book value of ₹ 0.08 (March 31, 2022: ₹ 0.08).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 5 - Intangible assets

Particulars	As at March 31, 2023	As at March 31, 2022
I. Gross carrying amount		
Opening gross carrying amount	632.87	632.87
Additions	19.93	-
Closing gross carrying amount	**652.80**	**632.87**
II. Accumulated depreciation		
Opening accumulated amortization	**491.59**	**391.29**
Amortization during the year (Refer Note 33)	90.40	100.30
Closing accumulated amortization	**581.99**	**491.59**
III. Net carrying amount (I - II)	**70.81**	**141.28**

Note: The computer softwares are other than internally generated.

Note 6 - Non-current investments

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Investment in equity instruments (fully paid)		
(a) Subsidiaries - Measured at cost		
Unquoted		
2,72,800 (March 31, 2022: 2,72,800) equity shares of ₹ 100/- each of Mafatlal Services Limited	27.50	27.50
NIL (March 31, 2022: 4,50,000) equity shares of ₹ 10/- each of Vrata Tech Solutions Private Limited [Refer Note 49(a)]	-	45.00
Total (I)	**27.50**	**72.50**
(b) Other Companies measured at FVOCI		
Quoted		
79,920 (March 31, 2022: 79,920) equity shares of ₹ 10/- each of Stanrose Mafatlal Investments and Finance Limited	63.84	67.18
2,000 (March 31, 2022: 84,300) equity shares of ₹ 10/- each of Mangal Credit & Fincorp Limited	1.99	84.67
NIL (March 31, 2022: 9,600) equity shares of ₹ 2/- each of Ultramarine and Pigments Limited	-	31.19
2,52,59,059 (March 31, 2022: 2,52,59,059) equity shares of ₹ 10/- each of NOCIL Limited $$	52,109.44	63,008.75
NIL (March 31, 2022: 770) equity shares of ₹ 1/- each of Integra Engineering India Limited	-	0.55
NIL (March 31, 2022: 100) equity shares of ₹ 10/- each of Bank of India	-	0.10
Unquoted		
45,000 (March 31, 2022: 45,000) equity shares of ₹ 10/- each of Cama Hotels Limited **	@	@
1,600 (March 31, 2022: 1,600) equity shares of ₹ 10/- each of Hybrid Financial Services Limited $**	@	@
116 (March 31, 2022: 116) equity shares of ₹ 10/- each of Anil Bioplus Limited	@	@
12,40,000 (March 31, 2022: 12,40,000) equity shares of ₹ 10/- each of Mafatlal Global Apparel Limited	@	@
13,350 (March 31, 2022: 13,350) equity shares of ₹ 10/- each of Matcon Export Enterprises Limited	@	@
2,320 (March 31, 2022: 2,320) equity shares of ₹ 10/- each of Anil Limited @@	@	@

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
100 (March 31, 2022: 100) equity shares of ₹ 10/- each of Arlabs Limited	@	@
15,000 (March 31, 2022: 15,000) equity shares of ₹ 10/- each of Cellulose Products of India Limited ##	@	@
10 (March 31, 2022: 10) equity shares of ₹ 25/- each of Universal Dyestuff Industries Limited @@	@	@
5,870 (March 31, 2022: 5,870) equity shares of ₹ 100/- each of SLM Maneklal Industries Limited **	@	@
30,000 (March 31, 2022: 30,000) equity shares of ₹ 10/- each of Mafatlal Medical Devices Limited @@@	@	@
92,500 (March 31, 2022: 82,500) equity shares of ₹ 100/- each of Janata Sahakari Bank Limited ####	92.50	82.50
100 (March 31, 2022: 100) equity shares of ₹ 25/- each of Shamrao Vithal Co-Operative Bank Limited ####	0.03	0.03
5 (March 31, 2022: 5) Shares of ₹ 50/- each of Sea - Face Park Co-op Housing Society Limited	@	@
26,16,670 (March 31, 2022: 26,16,670) equity shares of ₹ 10/- each of Ibiza Industries Limited ***@@	@	@
39,76,002 (March 31, 2022: 39,76,002) equity shares of ₹ 10/- each of Sunanda Industries Limited *@@	@	@
1,46,364 (March 31, 2022: 146,364) equity shares of ₹ 100/- each of Mafatlal Engineeering Industries Limited ##	@	@
147 (March 31, 2022: 147) equity shares of AED 1,000/- each of Al Fahim Mafatlal Textiles LLC ##	@	@
17,500 (March 31, 2022: 17,500) equity shares of ₹ 100/- each of The Cosmos Co-Operative Bank Limited ####	17.50	17.50
(B) Investments in Government securities		
Unquoted - at amortized cost		
Government securities [Face value of ₹ 2.89 (March 31, 2022: ₹ 2.89)] have been lodged with various authorities **	2.89	2.89
(C) Investment in debentures and bonds		
Unquoted - at amortized cost		
1,65,000 (March 31, 2022: 1,65,000) 10% Secured Redeemable Convertible Debentures of Mafatlal Engineering Industries Limited ##	@	@
2,050 (March 31, 2022: 2,050) Corporate Bonds of Housing Development Finance Corporation Limited:11% - Series IV #	@	@
Total (II)	**52,288.19**	**63,295.36**
Total (I)+(II)	**52,315.69**	**63,367.86**

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

$$ 58,81,357 (March 31, 2022: 50,38,358) equity shares pledged with banks. Refer Note 48(a) for Assets pledged.

* Subject to non disposal undertakings given to financial institutions. The Company is currently under liquidation. 4,00,000 equity shares (March 31, 2022: 4,00,000 equity shares) were not available for verification.

** Not available for physical verification

*** 13,50,000 (March 31, 2022: 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

1,050 (March 31,2022: 1,050) nos.- Not available for physical verification.

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

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

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

@@ Under liquidation

@@@ Struck off

Particulars	As at March 31, 2023	As at March 31, 2022
Total Non-current investments		
Aggregate amount of quoted investments and market value thereof	52,175.27	63,192.44
Aggregate amount of unquoted investments	140.42	175.42
Aggregate amount of impairment in the value of investments	-	-
Total	**52,315.69**	**63,367.86**

Note 7 - Current investments

Particulars	As at March 31, 2023	As at March 31, 2022
Quoted - at FVOCI		
NIL (March 31, 2022: 2,940) equity shares of ₹ 10/- each of Aditya Birla Capital Limited	-	3.15
Total	**-**	**3.15**
Total current investments		
Aggregate amount of quoted investments and market value thereof	-	3.15
Aggregate amount of impairment in the value of investments	-	-
Total	**-**	**3.15**

Note 8 - Non-current - Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered good		
Security deposits	314.76	311.40
Term deposits with remaining maturity period of more than 12 months:		
(i) Deposits held as margin money or security against borrowings, guarantees and other commitments	327.11	440.98
(ii) Other term deposits	52.61	-
Others	0.55	0.55
Total	**695.03**	**752.93**

Note 9 - Non-current - Other assets

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered good		
Capital advances	17.27	-
Deposits with government authorities	53.39	53.39
Unsecured, considered doubtful		
Balances with government authorities	-	0.79
Less: Provision for doubtful balances with government authorities	-	(0.79)
Total	**70.66**	**53.39**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 10 - Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	126.26	268.70
Work-in-progress	3,159.19	3,074.82
Finished goods	1,520.72	881.74
Stock-in-trade	3,261.74	1,354.21
Stock-in-trade in transit	2,166.86	1,337.08
Packing Material	66.02	47.18
Stores and spares	322.91	231.57
Others (Land) [Refer Note 50 (ii)]	0.58	0.58
Total	**10,624.28**	**7,195.88**

Amounts recognized in the Standalone Statement of Profit and Loss:

Inventory write downs / write back are accounted, considering the nature of inventory, ageing and net realizable value. Write-back of inventories amounted to ₹ 14.13 (March 31, 2022: ₹ 191.36), out of which ₹ NIL (March 31, 2022: ₹ 67.46) transferred to exceptional items which is disclosed in the Note 35. Remaining amounts were recognized as an expense / write back during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in the Standalone Statement of Profit and Loss.

Note 11 - Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	30,431.44	26,968.01
Loss allowance on trade receivables (Refer Notes 35 and 39)	(1,845.58)	(1,552.24)
Total	**28,585.86**	**25,415.77**

Break up of security details

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables - Secured	-	-
Trade receivables - Unsecured	29,563.69	26,100.26
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	867.75	867.75
Total	**30,431.44**	**26,968.01**
Loss allowance on trade receivables	(1,845.58)	(1,552.24)
Total	**28,585.86**	**25,415.77**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

Ageing of Trade receivables as at March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
(A) Undisputed Trade receivables							
(i) considered good	15,122.14	11,130.95	793.67	597.42	425.74	1,493.77	29,563.69
(ii) which have significant increase in credit risk	-		-	-	-	-	-
(iii) credit impaired	-	-	-	-	-	-	-
(B) Disputed Trade Receivables							
(i) considered good	-	-	-	-	-	-	-
(ii) which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) credit impaired	-	-	-	-	-	867.75	867.75
Total	**15,122.14**	**11,130.95**	**793.67**	**597.42**	**425.74**	**2,361.52**	**30,431.44**
Loss allowance on trade receivables							(1,845.58)
Total							**28,585.86**

Ageing of Trade receivables as at March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
(A) Undisputed Trade receivables							
(i) considered good	18,186.16	3,848.54	783.43	1,157.23	1,558.31	566.59	26,100.26
(ii) which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) credit impaired	-	-	-	-	-	-	-
(B) Disputed Trade Receivables							
(i) considered good	-	-	-	-	-	-	-
(ii) which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) credit impaired	-	-	-	-	-	867.75	867.75
Total	**18,186.16**	**3,848.54**	**783.43**	**1,157.23**	**1,558.31**	**1,434.34**	**26,968.01**
Loss allowance on trade receivables							(1,552.24)
Total							**25,415.77**

Transferred receivables:

The carrying amounts of the trade receivables include receivables which are subject to a discounting arrangement. Under this arrangement, the Company has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk. The Company therefore continues to recognise the transferred assets in their entirety in its Standalone Balance Sheet. The amount repayable under the discounting is presented as secured borrowing.

The relevant carrying amounts are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Total transferred receivables	-	79.58
Associated secured borrowings (Refer Note 22)	-	(79.58)
Total	**-**	**-**

Refer Note 39 for information about credit risk and market risk for trade receivables.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 12 - Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	5.25	5.76
Balances with banks:		
(i) In Current accounts	2,878.16	5,033.50
(ii) In Deposit accounts with original maturity of less than 3 months	2,000.00	246.38
Total	**4,883.41**	**5,285.64**

Note 13 - Other bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
Term deposits with remaining maturity of less than 12 months:		
(i) Deposits held as margin money or security against borrowings, guarantees and other commitments	1,963.34	2,529.48
(ii) Other term deposits	444.81	1,141.58
In earmarked accounts:		
(i) Unclaimed dividend accounts	13.65	19.84
(ii) Balances in Escrow Current accounts (Refer Note below)	1.87	1.87
Total	**2,423.67**	**3,692.77**

Note:

Balance in Escrow Current account of ₹ 1.87 (March 31, 2022: ₹ 1.87) is operated under the supervision of the Monitoring Committee constituted by the Government of Maharashtra, under Development Control Regulations, 1991.

Note 14 - Current loans

Particulars	As at March 31, 2023	As at March 31, 2022
Loans to employees	2.13	0.52
Total	**2.13**	**0.52**

Note: There are no loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties.

Note 15 - Current - Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless othewise stated		
Security deposits		
Considered good	1,954.09	1,460.20
Considered doubtful	263.47	98.78
	2,217.56	1,558.98
Less: Loss allowance on deposits	(263.47)	(98.78)
	1,954.09	1,460.20
Government grant receivable	82.72	82.72
Interest accrued on deposits with banks	5.85	30.58
Other receivables	11.65	2.32
Total	**2,054.31**	**1,575.82**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 16 - Current - Other assets

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Prepaid expenses	130.94	84.38
Balances with government authorities	2,013.11	1,855.85
Advance to suppliers	2,082.13	910.61
Others	20.20	13.28
Total	**4,246.38**	**2,864.12**

Note 17 - Assets held for sale

Particulars	As at March 31, 2023	As at March 31, 2022
Assets classified as held for sale		
- Buildings - [Refer Note 4]	0.75	-
- Land [includes land transferred from Property Plant and Equipment] - [Refer Note 3(a)]	-	0.13
Total	**0.75**	**0.13**

Note 18 - Share capital and other equity

18(a) - Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
(i) Authorised				
Equity shares of ₹ 2/- each (March 31, 2022: ₹ 10/- each) with voting rights #	7,12,25,405	1,424.51	1,42,45,081	1,424.51
Increase during the year	27,87,74,595	5,575.49	-	-
Sub-Total	**35,00,00,000**	**7,000.00**	**1,42,45,081**	**1,424.51**
Preference share of ₹ 10/- each	3,00,00,000	3,000.00	-	-
Unclassified Shares of ₹ 10/- each	-	-	8,57,54,919	8,575.49
Total	**38,00,00,000**	**10,000.00**	**10,00,00,000**	**10,000.00**
(ii) Issued				
Equity shares of ₹ 2/- each (March 31, 2022: ₹ 10/- each) with voting rights #	7,05,97,430	1,411.94	1,40,71,386	1,407.13
(iii) Subscribed and fully paid up				
Equity shares of ₹ 2/- each (March 31, 2022: ₹ 10/- each) with voting rights #	7,05,97,430	1,411.94	1,40,71,386	1,407.13
Less: Allotment money/ Calls in arrears	-	(0.06)	-	(0.06)
Total	**7,05,97,430**	**1,411.88**	**1,40,71,386**	**1,407.07**

(1) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year.

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Equity Shares:				
Balance as at the beginning of the year	**1,40,71,386**	**1,407.07**	**1,39,24,386**	**1,392.37**
Add: Sub-division of equity shares during the year #	5,62,85,544	-	-	-
	7,03,56,930	**1,407.07**	**1,39,24,386**	**1,392.37**
Add: Shares issued during the year [see note 5(ii) below]	2,40,500	4.81	1,47,000	14.70
Outstanding at the end of the year	**7,05,97,430**	**1,411.88**	**1,40,71,386**	**1,407.07**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

(2) *Terms and rights attached to Equity shares:*

The Company has issued only one class of equity shares having a par value of ₹ 2/- per share # (March 31, 2022: ₹ 10/- per share). Every holder of equity shares is entitled to one vote per share held. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting except for interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding.

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Equity Shares: #				
H. A. Mafatlal	1,12,06,120	15.87%	26,73,046	19.00%
NOCIL Limited	97,73,475	13.84%	19,54,695	13.89%
Sumil Trading Private Limited	2,70,91,630	38.37%	31,18,326	22.16%
Rekha H. Mafatlal	500	*	13,07,387	9.29%

* % holding below the rounding off norm adopted by the Company.

(4) *Details of shareholding of promoters:*

Name of the Promoter	As at March 31, 2023			As at March 31, 2022		
	Number of shares	% of total number of shares	% of change during the year	Number of shares	% of total number of shares	% of change during the year
Equity Shares: #						
Rekha H. Mafatlal	500	*	(9.29%)	13,07,387	9.29%	0.11%
H. A. Mafatlal as a Trustee of Gurukripa Trust	500	*	0.00%	100	*	0.00%
H. A. Mafatlal as a Trustee of Karuna Trust	500	*	0.00%	100	*	0.00%
H. A. Mafatlal as a Trustee of Narsingha Trust	500	*	0.00%	100	*	0.00%
Rekha H. Mafatlal as a Trustee of Radha Raman Trust	500	*	0.00%	100	*	0.00%
Aarti M. Chadha	7,45,900	1.06%	0.00%	1,49,180	1.06%	0.01%
H. A. Mafatlal as a Trustee of Shrija Trust	500	*	0.00%	100	*	0.00%
H. A. Mafatlal	1,12,06,120	15.87%	(3.13%)	26,73,046	19.00%	0.20%
Anjali K. Agarwal	8,87,150	1.26%	0.00%	1,77,430	1.26%	0.01%
P.H. Mafatlal	500	*	(3.99%)	5,60,991	3.99%	0.04%
"KSJ Trading Private Limited (Earlier known as Gayatri Pestichem Manufacturing Private Limited)"	1,11,525	0.16%	0.00%	22,305	0.16%	0.00%
NOCIL Limited	97,73,475	13.84%	(0.05%)	19,54,695	13.89%	0.15%
Sumil Trading Private Limited	2,70,91,630	38.37%	16.21%	31,18,326	22.16%	0.23%
Shri H. A. Mafatlal Public Charitable Trust No 1	1,20,640	0.17%	0.00%	24,128	0.17%	0.00%
Seth Navinchandra Mafatlal Foundation Trust No 1	82,530	0.12%	0.00%	16,506	0.12%	0.00%
	5,00,22,470	**70.86%**		**1,00,04,494**	**71.10%**	

* % of total number of shares below the rounding off norm adopted by the Company.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

(5) Aggregate number of shares issued for consideration other than cash:

(i) There have been no shares allotted as fully paid up pursuant to contract without payment being received in cash or allotted as fully paid up by way of bonus shares or bought back, for the period of five years immediately preceding the date as at which the Standalone Balance Sheet is prepared.

(ii) Shares reserved for issue under options:

Information relating to Mafatlal Industries Limited Employee Option Plan, including details of options issued, granted, vested and exercised during the financial year and options outstanding at the end of the reporting period, is set out in Note 38.

(6) Calls unpaid (by other than officers and directors):

Particulars	As at March 31, 2023	As at March 31, 2022
Calls unpaid	0.06	0.06

(7) During 1987-88: 5,35,000 shares (of ₹ 100/- each) were allotted on rights basis subject to the result of suit nos. 3,181 and 3,182 of 1987 filed by three shareholders against the Company and Others in the Ahmedabad City Civil Court. The suits are pending disposal.

The Board of Directors at its meeting held on September 17, 2022, recommended a proposal for sub-division of 1 equity share of the Company having a face value of ₹ 10/- each into 5 equity shares having a face value of ₹ 2/- each. The same was approved by the shareholders of the Company on November 7, 2022 through postal ballot ("e-voting"). The Company had fixed November 25, 2022 as the record date for such sub-division and completed the process of allotment of the new equity shares having face value of ₹ 2/- each on November 25, 2022.

18(b) - Reserves and surplus

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium	17,671.53	17,626.45
Retained earnings	(19,024.80)	(22,644.82)
General Reserve	620.00	620.00
Capital Reserve No.1	61.16	61.16
Capital Reserve No. 2	35.00	35.00
Capital Reserve on Amalgamation	3,634.48	3,634.48
Capital Redemption Reserve	8,383.14	8,383.14
Capital Investment Reserve	75.96	75.96
Investment Reserve	1.78	1.78
ESOP Reserve	256.08	75.79
Export Profit Reserve	20.00	20.00
Other reserves:		
FVOCI - Equity instruments	48,316.19	59,298.59
Total	**60,050.52**	**67,187.53**

(i) Securities Premium

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

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	17,626.45	17,463.00
Add: Movement during the year	45.08	163.45
Balance at the end of the year	**17,671.53**	**17,626.45**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

(ii) Retained earnings

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Balance at the beginning of the year	(22,644.82)	(25,465.26)
Add: Profit for the year	3,748.10	2,929.11
Less: Other comprehensive income	(234.44)	(108.67)
Add: Transfer of gain on FVOCI Equity Instruments to Retained Earnings	106.36	-
Balance at the end of the year	**(19,024.80)**	**(22,644.82)**

(iii) General Reserve

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Balance at the beginning of the year	620.00	620.00
Add: Movement during the year	-	-
Balance at the end of the year	**620.00**	**620.00**

(iv) Capital reserve No.1

Capital reserve is to be utilized in accordance with the provisions of the Act.

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Balance at the beginning of the year	61.16	61.16
Add: Movement during the year	-	-
Balance at the end of the year	**61.16**	**61.16**

(v) Capital reserve No. 2

The reserve has arisen out of State Government subsidy received by the Company and is separately maintained as per the provisions of the Act.

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Balance at the beginning of the year	35.00	35.00
Add: Movement during the year	-	-
Balance at the end of the year	**35.00**	**35.00**

(vi) Capital Reserve on Amalgamation

The said reserve has arisen out of amalgamation with 'Mafatlal Denim Limited'

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Balance at the beginning of the year	3,634.48	3,634.48
Add: Movement during the year	-	-
Balance at the end of the year	**3,634.48**	**3,634.48**

(vii) Capital redemption reserve

It represents reserve created during buy back of equity shares, preference shares and it is a non-distributable reserve.

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Balance at the beginning of the year	8,383.14	8,383.14
Add: Movement during the year	-	-
Balance at the end of the year	**8,383.14**	**8,383.14**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

(viii) Capital Investment Reserve

The said reserve has arisen out of excess of non taxable sales proceeds over the book values.

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Balance at the beginning of the year	75.96	75.96
Add: Movement during the year	-	-
Balance at the end of the year	**75.96**	**75.96**

(ix) Investment Reserve

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

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Balance at the beginning of the year	1.78	1.78
Add: Movement during the year	-	-
Balance at the end of the year	**1.78**	**1.78**

(x) ESOP Reserve

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

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Balance at the beginning of the year	75.79	93.35
Add: Employee share-based payment expense (Refer Note 38)	192.35	44.97
Less: Employee share options exercised during the year	(12.06)	(62.53)
Balance at the end of the year	**256.08**	**75.79**

(xi) Export Profit Reserve

The said reserve has arisen due to amalgmation with the Mafatlal Fine Spinning and Manufacturing Co. Limited

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Balance at the beginning of the year	20.00	20.00
Add: Movement during the year	-	-
Balance at the end of the year	**20.00**	**20.00**

(xii) FVOCI - Equity instruments

The Company fair values certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve.

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Balance at the beginning of the year	59,298.59	40,348.05
Add: Change in fair value of FVOCI equity instruments	(10,876.04)	18,950.54
Less: Transfer of gain on FVOCI equity instruments to Retained Earnings	(106.36)	-
Balance at the end of the year	**48,316.19**	**59,298.59**

Also refer Note 49(b).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 19 - Non- current borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Term Loans		
(a) From Banks [Refer Note no.(i), (ii), (iii) and (iv) below]	2,346.75	3,987.09
(b) For vehicle loans [Refer Note no.(v) below]	143.98	27.21
(c) From financial institutions [Refer Note no.(vi) and (vii) below]	123.94	371.81
Total	**2,614.67**	**4,386.11**

(i)	Term loan from consortium of two Banks, aggregating to ₹ 2,292.16 (March 31, 2022: ₹ 2,897.43) is secured by mortgage on pari passu basis of an immovable asset (building) measuring 1,362.89 sq. mtrs. (March 31, 2022: 2,072.20 sq. mtrs.) of Mafatlal House at Mumbai.	Repayable in 60 monthly installments begining from April 2022 till March 2026. The rate of interest for the year was @ 11.50% p.a. (March 31, 2022: 11.50% p.a.).
(ii)	Term loan from a Bank, amounting to ₹ 1,489.96 (March 31, 2022: ₹ 1,481.89) is secured by mortgage of an immovable asset (buildings) measuring 273.60 sq. mtrs. of Mafatlal House at Mumbai and 178.56 sq. mtrs. of Ahmedabad office and pledge over 12,38,500 (March 31, 2022: 13,34,296) shares of NOCIL Limited.	Repayable in 8 quarterly installments begining from June 2023 till March 2025. The rate of interest for the year was @ 10.80% p.a. (March 31, 2022: 10.80% p.a. to 11.00% p.a).
(iii)	Term loan from a Bank, amounting to ₹ NIL (March 31, 2022: ₹ 139.26) is secured by mortgage of an immovable asset (land and building) at Nadiad and exclusive first charge on property, plant and equipment acquired out of the said loan from Bank at Nadiad Plant and second charge on certain stock and book debts of the Company.	The term loan was repaid in August 2022. The rate of interest for the year was @ 12.25 % p.a. (March 31, 2022: 12.25 % p.a.).
(iv)	Term loan from a Bank, amounting to ₹ NIL (March 31, 2022: ₹ 538.17) is secured by rental receivables of specific floors of Mafatlal House and partial area of Mafatlal Centre from lessees.	The term loan was repaid in September 2022. The rate of interest for the year was 10.50% p.a. (March 31, 2022: 10.50% p.a.).
(v)	Loans from a Bank, amounting to ₹ 179.38 (March 31, 2022: ₹ 38.61) for vehicles is secured by hypothecation of respective vehicles.	Repayable in monthly installments and the rate of interest for the year was in the range of 7.00 % p.a. to 8.40 % p.a. (March 31, 2022: 7.00% p.a. to 10.00% p.a).
(vi)	Term loan from a financial institution, amounting to ₹ NIL (March 31, 2022: ₹ 88.17) is secured by mortgage of an immovable asset (land and building) at Nadiad and exclusive first charge on property, plant and equipment acquired out of the said loan from Financial institution at Nadiad Plant.	The term loan was repaid in September 2022. The rate of interest for the year was in the range of 10.20 % p.a. to 10.55 % p.a. (March 31, 2022: 10.55 % p.a. to 11.10 % p.a.).
(vii)	Term loan from a financial institution, amounting to ₹ 371.82 (March 31, 2022: ₹ 619.68) is secured by charge on movable property, plant and equipment acquired out of said loan, charge by way of mortgage over immovable assets (land and building) measuring NIL sq. mtrs. (March 31, 2022: 253.81 sq. mtrs.) of Mafatlal House at Mumbai, pledge over NIL (March 31, 2022: 4,91,062) equity shares of NOCIL Limited, and pledge by promoters / promoter companies of certain shareholding in the Company and a lien on term deposit. (Also Refer Note 8)	Repayable in 20 quarterly installments begining from June 2019 till September 2024 after a moratorium period of 18 months. The rate of interest for the year was in the range of 10.20 % p.a. to 10.50 % p.a. (March 31, 2022: 10.35 % p.a. to 10.90 % p.a.).

The amounts mentioned include installments falling due within a year aggregating to ₹ 1,718.65 (March 31, 2022: ₹ 1,417.10) have been grouped under "Current Borrowings" [Refer Note 22].

For Liquidity risk information, refer Note 39.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 20 - Non-current - Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Trade / Security deposits	393.23	353.75
Other Advances *	1,291.81	1,291.81
Interest accrued and not due on others [Refer Note 50(i)]	283.82	283.82
Total	**1,968.86**	**1,929.38**

* Out of the above, other advances for ₹ 577.89 (March 31, 2022: ₹ 577.89), refer note 50(i).

Note 21 - Non-current - Other liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Income on Government Grant (Refer Note 47)	95.63	141.13
Total	**95.63**	**141.13**

Note 22 - Current borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
From Banks		
Working Capital loans*	1,488.14	2,904.98
Current loans against properties **	3,533.23	2,190.17
Factored receivables (Refer Note 11)	-	79.58
Current maturities of long-term debt (Refer Note 19)		
(i) From Banks	1,435.37	1,070.80
(ii) For vehicle loans	35.40	11.41
(iii) From financial institutions	247.88	334.89
Interest accrued but not due on borrowings	5.42	24.31
Unsecured		
Inter Company Deposits #	-	200.00
Total	**6,745.44**	**6,816.14**

* Working Capital loans are secured by first and second charge on certain stocks and book debts, both present and future, of the Company, charge on certain property, plant and equipment of the Company, pledge of 46,42,857 (March 31, 2022: 32,13,000) equity shares of NOCIL Limited held by the Company and pledge by promoters / promoter companies of certain shareholding in the Company. The working capital loans are repayable on demand and carry an interest in the range of 9.00% p.a. to 13.45% p.a. (March 31, 2022: 10.25% p.a. to 12.25% p.a.).

** Current loans against properties are secured by pari passu charge on Land and Building of the Company at Nadiad. Current loans against property are repayable on demand and carry an interest in the range of 11.00% p.a. to 13.45% p.a. (March 31, 2022: 10.25% p.a. to 12.25% p.a.).

Represents Inter Company Deposits repaid in March 2023. The rate of interest for the year was 12.00% p.a. (March 31, 2022: 12.00% p.a.).

For Liquidity risk information, refer Note 39.

Refer Note 48(b) for net debt reconciliation.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 23 - Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	1,331.55	1,018.19
Total outstanding dues of creditors other than micro enterprises and small enterprises	35,732.70	33,193.06
Trade Payables to related parties (Refer Note 42)	18.14	461.60
Total	**37,082.39**	**34,672.85**

Ageing of Trade Payables as at March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(A) Undisputed trade payables							
(i) Micro enterprises and Small enterprises	319.94	363.65	647.96	-	-	-	1,331.55
(ii) Others	3,309.96	13,515.64	16,174.39	875.41	976.21	899.23	35,750.84
(B) Disputed trade payables							
(i) Micro enterprises and Small enterprises	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
Total	**3,629.90**	**13,879.29**	**16,822.35**	**875.41**	**976.21**	**899.23**	**37,082.39**

Ageing of Trade Payables as at March 31, 2022

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(A) Undisputed trade payables							
(i) Micro enterprises and Small enterprises	153.75	253.03	391.72	219.55	-	0.14	1,018.19
(ii) Others	2,743.87	13,565.43	14,102.97	1,654.21	1,461.92	126.26	33,654.66
(B) Disputed trade payables							
(i) Micro enterprises and Small enterprises	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
Total	**2,897.62**	**13,818.46**	**14,494.69**	**1,873.76**	**1,461.92**	**126.40**	**34,672.85**

Note: For Liquidity risk information, Refer Note 39.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Dues to Micro and Small Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,011.61	864.44
Interest due thereon to suppliers registered under the MSMED Act and remaining unpaid as at year end	31.19	16.17
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	2,177.97	907.52
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Interest accrued and remaining unpaid at the end of each accounting year (not due)	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	288.75	137.58

Note 24 - Current - Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Unclaimed dividends*	13.65	19.84
Book Overdraft	-	1,057.56
Trade Deposits	3,028.06	1,332.76
Total	**3,041.71**	**2,410.16**

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

Note 25 - Current provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits:		
(i) Provision for Compensated absences (Refer Note 41)	431.55	325.97
(ii) Provision for Gratuity (Refer Note 41)	832.79	883.54
Other Provisions		
(i) Provision for Fringe Benefit Tax [net of advance tax ₹ 39.05 (As at March 31, 2022: ₹ 39.05)]	0.40	0.40
(ii) Provision for Wealth Tax (net)	0.11	0.11
Total	**1,264.85**	**1,210.02**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 26 - Current - Other liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Payment towards Statutory liabilities	249.08	201.83
Advance from customers [Refer Note 26(a)]	2,318.80	603.11
Employee Benefits Payable	415.55	380.85
Deferred Income on Government Grant (Refer Note 47)	73.73	130.18
Others	56.04	53.62
Total	**3,113.20**	**1,369.59**

Note 26(a) - Revenue recognised in relation to advance from customers

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue recognized that was included in advance from customers at the beginning of the period	467.53	521.76

Note 27 - Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers		
Sale of Products	1,34,572.68	97,354.63
Sale of Services	1,985.45	2,072.15
Total Revenue from Contract with Customers (A)	**1,36,558.13**	**99,426.78**
Other operating revenue		
Income from waste / scrap sale	162.85	237.69
Processing income	210.04	105.54
Duty drawback and other export incentives	121.27	169.50
Total other operating revenue (B)	**494.16**	**512.73**
Total Income [(A) + (B)]	**1,37,052.29**	**99,939.51**

(i) There are no unsatisfied performance obligations resulting from Revenue from long-term contracts with customers as at March 31, 2023 and March 31, 2022.

(ii) Reconciliation of revenue recognised with contract price:

Contract price	1,37,375.70	99,882.41
Adjustments for:		
Discounts and rebates	(817.57)	(455.63)
Revenue from contact with customers	**1,36,558.13**	**99,426.78**

(iii) Disaggregation of revenue from contracts with customers:

The Company derives revenue from the transfer of goods and services in the following geographical regions:

India	1,32,862.23	95,542.34
Asia (Excluding India)	3,444.56	3,702.66
Others	251.34	181.78
Total	**1,36,558.13**	**99,426.78**

The Company derives revenue from the transfer of following goods and services :

Textile and related products	1,30,060.66	97,354.63
Technology and related products	4,512.02	-
Sale of products (a)	**1,34,572.68**	**97,354.63**
Sale of services (b)	**1,985.45**	**2,072.15**
Total Revenue from contract with customers [(a)+(b)]	**1,36,558.13**	**99,426.78**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 28(a) - Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on:		
Financial assets at amortized cost	181.86	185.48
Income tax refund	162.71	-
Others	22.82	-
Rental income from investment properties	311.76	359.03
Utility / business service / air-conditioning charges and other receipts in respect of investment properties	464.94	411.07
Dividend income from equity investments designated at fair value through other comprehensive income	758.90	511.22
Apportioned income from Government grants #	101.95	130.18
Liabilities / provisions no longer required written back	104.26	42.80
Miscellaneous income	97.43	68.33
Total	**2,206.63**	**1,708.11**

Government grants have been received for investment in certain items of property, plant and equipment. There are no unfulfilled conditions or other contingencies attaching to these grants as at March 31, 2023 (Refer Note 47).

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net gain on disposal of property, plant and equipment and investment properties [Refer Notes 3(a) and 4]	1,849.81	4,692.45
Net gain on sale of subsidiary [Refer Note 49(a)]	362.48	-
Net foreign exchange differences	91.17	36.23
Total	**2,303.46**	**4,728.68**

Note 29 - Cost of materials consumed

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Raw and packing materials at the beginning of the year	315.88	11.36
Add: Purchases	19,933.90	17,855.45
Less: Raw and packing material at the end of the year	192.28	315.88
Total cost of materials consumed	**20,057.50**	**17,550.93**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the end of the year		
Finished goods	1,520.72	881.74
Work-in-progress	3,159.19	3,074.82
Stock-in-trade (Traded goods)	5,428.60	2,691.29
Inventories at the beginning of the year		
Finished goods	881.74	640.46
Work-in-progress	3,074.82	904.32
Stock-in-trade (Traded goods)	2,691.29	778.48
	(3,460.66)	**(4,324.59)**
Less : Transfer to exceptional items (Refer Note 35)	-	(67.46)
Total	**(3,460.66)**	**(4,392.05)**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 31 - Employee Benefits expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages, bonus, etc.	4,217.23	3,399.20
Contributions to provident and other funds [Refer Note 41(ii)(a)]	389.84	303.02
Gratuity expense (Refer Note 41)	154.81	289.10
Staff welfare expenses	249.70	117.14
Employee share-based payment expense (Refer Note 38)	192.35	44.97
Total	**5,203.93**	**4,153.43**

Note 32 - Finance costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on:		
Borrowings	1,204.63	1,424.77
Trade payables	281.05	280.71
Lease Liabilities	3.63	-
Others	282.44	153.91
Total	**1,771.75**	**1,859.39**

Note 33 - Depreciation and amortization expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment [Refer Notes 3(a)]	1,418.48	1,434.71
Depreciation of right-of-use assets [Refer Notes 3(b)]	10.55	-
Depreciation on investment properties (Refer Note 4)	16.75	32.06
Amortization on intangible assets (Refer Note 5)	90.40	100.30
Total	**1,536.18**	**1,567.07**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 34 - Other expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spare parts	3,670.72	2,669.41
Processing charges	1,093.93	513.70
Power and fuel	5,338.60	3,631.39
Repairs and maintenance		
Buildings	175.37	148.94
Machinery	274.54	100.34
Others	303.33	277.23
Insurance (net)	59.71	55.18
Lease rent*	10.73	9.06
Sales commission	2,064.84	1,227.58
Rates and taxes	324.73	253.84
Sub-contracting charges	3,671.65	2,684.27
Transport and freight charges (net)	1,406.83	1,141.15
Donations and Charities	0.10	0.33
Bad Debts written off	140.98	261.57
Less: Allowances there against	(140.98)	(261.57)
Loss allowance on trade receivables / (written back)	434.32	(163.90)
Advances written off	26.77	40.10
Loss allowance on deposits	164.69	98.79
Legal and professional fees	864.75	879.28
Payments to auditors [Refer Note 34(a)]	49.80	40.35
Directors' fees [Refer Note 42]	66.50	65.10
Miscellaneous expenses	1,708.61	1,656.37
Total	**21,710.52**	**15,328.51**

* Lease rent expense pertains to short-term leases.

Note 34(a) - Details of payment to auditors

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Payment to the auditors		
As auditor		
Statutory audit fees	31.50	28.50
Limited reviews	12.00	10.50
Certifications fees	5.50	1.00
Re-imbursement of expenses	0.80	0.35
Total	**49.80**	**40.35**

Note 35 - Exceptional Items

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Employee severance cost comprising voluntary retirement scheme at Nadiad and Navsari [Refer note (i) and (ii) below]	53.57	114.30
(b) Impact due to Covid-19 - Write-down of current assets (includes inventories and select receivables) [Refer note (iii) below and Notes 10 and 11]	-	902.42
Total	**53.57**	**1,016.72**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note (i): During the financial year ended March 31, 2021, the Company had entered into a Memorandum of Understanding (MOU) with Workers' Union at its Nadiad location to reduce its workforce and accordingly recognized expenses towards compensation payable as full and final settlement to its workers who accepted the offer and disclosed the same as an exceptional item. The aforesaid MOU has been terminated in the previous year and therefore there is no further compensation payable under the said MOU.

Note (ii): The Company during the current year has recognized ₹ 53.57 as expense towards compensation payable as full and final settlement to its certain workers at Navsari location, which has been disclosed as an exceptional item.

Note (iii): The Company had estimated and recognized an impairment loss against carrying value of receivables and inventories in the previous year, owing to Covid-19 related uncertainties and disclosed the same under exceptional item during the previous year.

Note 36 - Taxation

36(a) - Tax expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax	25.168%	34.944%
Current tax on Profits for the year	-	-
Total current tax	**-**	**-**
Deferred tax		
Decrease in deferred tax assets	(926.12)	(388.49)
Decrease in deferred tax liabilities	646.66	93.35
Total deferred tax	**(279.46)**	**(295.14)**
Total Tax expense	**(279.46)**	**(295.14)**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit for the year	4,027.56	3,224.25
Statutory income tax rate applicable to Mafatlal Industries Limited	25.168%	34.944%
Tax expense at applicable tax rate	**1,013.66**	**1,126.68**
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income:		
Permanent difference on sale of property, plant and equipment, investments and investment properties	409.73	1,197.10
Differential tax rate in respect of capital gains	-	147.50
Unrecognized deferred tax for tax losses and other temporary differences	(88.63)	(404.54)
Expenses not deductible for tax purposes	(37.67)	(47.89)
Income for the year set off against brought forward losses	674.40	(60.63)
Differential tax rate due to opting for new regime	(217.53)	-
Others	(6.10)	-
Income tax expense as per the Standalone Statement of Profit and Loss	**(279.46)**	**(295.14)**

36(c) - The Taxation Laws (Amendment) Ordinance, 2019 ('ordinance') introduced section 115BAA of the Income-tax Act, 1961 which allowed domestic Companies to opt for an alternative tax regime from financial year 2019-20. As per the said tax regime, Companies are allowed to pay reduced income tax @ 22% (plus surcharge and cess) subject to foregoing of certain exemptions / deductions which were allowed earlier. Pursuant to the aforesaid amendment, the Company, has opted for lower rate of tax with effect from financial year ended March 31, 2023. Further the Company has restated the deferred tax assets and liabilities as on April 01, 2022 at the rate of 25.168%. Accordingly the Company has also reduced the effect of such exemptions/deductions from accumulated losses and have forgone the Minimum Alternate Tax ('MAT') credit available earlier as a condition precedent for opting for alternative tax regime under the aforesaid mentioned section of the Income Tax Act, 1961.

36(d) - No aggregate amounts of current and deferred tax have arizen in the reporting periods which have been recognized in Equity and not in Standalone Statement of Profit and Loss or Other comprehensive income.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

36(e) - Deferred tax assets

The balance comprises temporary differences attributable to:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax asset		
Loss allowance on trade receivables and deposits (net)	530.80	576.94
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	739.17	1,395.26
Unabsorbed depreciation	238.79	463.15
Right of use of assets and lease liabilities	0.47	-
Total deferred tax assets	**1,509.23**	**2,435.35**
Deferred tax liability		
Property, plant and equipment and intangible assets	(1,011.12)	(1,657.78)
Net deferred tax assets	**498.11**	**777.57**

Movement in deferred tax assets / (liabilities)

Particulars	As at March 31, 2021	(Charged)/ Credited to profit and loss	Charged/ (credited) to OCI	As at March 31, 2022
Year ended March 31, 2022				
Loss allowance on trade receivables and deposits (net)	399.32	177.62	-	576.94
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	1,454.18	(58.92)	-	1,395.26
Unabsorbed depreciation	970.34	(507.19)	-	463.15
Property, plant and equipment and intangible assets	(1,751.13)	93.35	-	(1,657.78)
Total deferred tax assets	**1,072.71**	**(295.14)**	**-**	**777.57**

Particulars	As at March 31, 2022	(Charged)/ Credited to profit and loss	Charged/ (credited) to OCI	As at March 31, 2023
Year ended March 31, 2023				
Loss allowance on trade receivables and deposits (net)	576.94	(46.14)	-	530.80
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	1,395.26	(656.09)	-	739.17
Unabsorbed depreciation	463.15	(224.36)	-	238.79
Right of use of assets and lease liabilities	-	0.47	-	0.47
Property, plant and equipment and intangible assets	(1,657.78)	646.66	-	(1,011.12)
Total deferred tax assets	**777.57**	**(279.46)**	**-**	**498.11**

The Company has recognized the deferred tax asset on unabsorbed depreciation of earlier years, loss allowance on trade receivables and deposits and disallowances under Section 35DDA, 40(a)(i) and 43B of the Income Tax Act, 1961. The Company has concluded that the deferred tax assets will be recoverable partially compensated by decrease in deferred tax liabilities and excess will be recovered using estimated future taxable income. Further, unabsorbed depreciation can be carried forward for infinite period as per tax regulations.

36(f) - Tax losses

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

Particulars		As at March 31, 2023	As at March 31, 2022
Unabsorbed brought forward depreciation / business losses		30,429.97	37,323.04
Potential tax benefit @ 25.168% (March 31, 2022: 34.944%)	(a)	7,658.61	13,042.16
Minimum Alternate Tax [Refer Note 36(c)]	(b)	-	2,702.53
Total Potential tax benefit	[(a)+(b)]	**7,658.61**	**15,744.69**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

36(g) - Unrecognized temporary differences

The Company has not recognized deferred tax asset / (liability) associated with fair value gains on equity instruments measured at FVOCI as based on the management projection of future taxable income and existing plan, it is not probable that such difference will reverse in the foreseeable future.

36(h) - Non-current tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current tax assets [Net of provision of tax ₹ 12,843.20 (March 31, 2022: ₹ 12,353.35)]	1,620.84	1,480.41

36(i) - Current tax liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax liabilities [Net of advance tax ₹ NIL (March 31, 2022: ₹ 469.26)]	-	20.59

Note 37 - Fair value measurements

(i) Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Fair value of cash and bank balances, trade receivables, current loans, trade payables, current borrowings and other current financial assets and liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
- Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.
- The interest rate on term deposits is at the prevailing market rates. Accordingly, fair value of such instrument is not materially different from their carrying amounts.
- The interest rate on borrowing is at the prevailing market rates. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Financial instruments by category

Particulars	As at March 31, 2023			As at March 31, 2022		
	FVPL	FVOCI	Amortized cost	FVPL	FVOCI	Amortized cost
Financial assets						
Investments						
- Equity instruments other than subsidiary	-	52,175.27	110.03	-	63,195.59	100.03
- Government securities	-	-	2.89	-	-	2.89
Cash and bank balances	-	-	7,307.08	-	-	8,978.41
Loans	-	-	2.13	-	-	0.52
Other financial assets	-	-	2,749.34	-	-	2,328.75
Trade receivables	-	-	28,585.86	-	-	25,415.77
Total financial assets	**-**	**52,175.27**	**38,757.33**	**-**	**63,195.59**	**36,826.37**
Financial liabilities						
Borrowings	-	-	9,360.11	-	-	12,259.81
Trade payables	-	-	37,082.39	-	-	34,672.85
Other financial liabilities	-	-	5,010.57	-	-	3,281.98
Lease liabilities	-	-	75.60	-	-	-
Total financial liabilities	**-**	**-**	**51,528.67**	**-**	**-**	**50,214.64**

Financial Asset and Liabilities measured at Fair Value - recurring fair value measurements - Level 1

Particulars	As at March 31, 2023	As at March 31, 2022
Quoted equity investments measured at fair value	52,175.27	63,195.59

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Investments in Government securities	2.89	2.89	2.89	2.89
Investments in unnquoted equity instruments	110.03	110.03	100.03	100.03
Security deposits	314.76	314.76	311.40	311.40
Bank deposits with more than 12 months maturity	379.72	379.72	440.98	440.98
Others	0.55	0.55	0.55	0.55
Financial liabilities				
Borrowings	2,614.67	2,614.67	4,386.11	4,386.11
Trade / Security deposits received	393.23	393.23	353.75	353.75
Other financial liabilities (excluding trade / security deposits)	1,575.63	1,575.63	1,575.63	1,575.63

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for quoted shares and mutual funds
- the fair value of the other unquoted equity investments is mainly pertaining to investments in co-operative banks which are carried at amortized cost and the carrying amounts are equal to the fair values.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 38 - Share Based Payments

(a) Employee option plan

(i) The Mafatlal Employee Stock Option Scheme 2017 ('ESOS 2017') of Mafatlal Industries Limited was approved by the Board of Directors of the Company at their meeting held on May 05, 2017 and finalised on August 10, 2017. At the Annual General Meeting held on August 02, 2017, the shareholders approved the creation of employee stock option pool of 6,95,000 equity shares of face value of ₹ 10/- each fully paid up (before giving effect of sub-division) on such terms and such manner as the Board may decide in accordance with the provisions of applicable law and ESOS 2017.

The Company has implemented ESOS 2017 with a view to attract and retain key talents working with the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The Nomination and Remuneration Committee ('NRC') administers ESOS 2017.

(ii) During the financial year 2017-18, the NRC in its meeting held on November 10, 2017 has granted 1,38,000 options (before giving effect of sub-division) with a progressive vesting to certain senior management employees under the ESOS 2017 and the vesting of options will be @15% on 1st anniversary, 20% on 2nd anniversary, 30% on 3rd anniversary and remaining 35% on 4th anniversary of the grant date. Once vested, the options remain excerisable for a period of four years.

(iii) During the financial year 2019-20, the NRC in its meeting held on August 01, 2019 has granted 3,18,000 options (before giving effect of sub-division) to certain management cadre employees of the Company under the ESOS 2017. The options granted vest after completion of one year from the date of grant i.e. August 01, 2020 and the vested options are excercisable for a period of four years after vesting.

(iv) During the current year, the NRC in its meeting held on May 28, 2022 has granted 3,20,000 options (before giving effect of sub-division) to certain management cadre employees of the Company under the ESOS 2017. The options granted vest after completion of one year from the date of grant i.e. May 28, 2023 and the vested options are excercisable for a period of four years after vesting.

(v) Options are granted under the plan for no consideration and carry no dividend or voting rights until they are exercised. When exercisable, each option is convertible into one equity share. The exercise price of the options is fair market price of the share as on date of grant of options.

(vi) The options granted and number of shares mentioned are proportionately increased in accordance with sub-division of equity shares effective from November 25, 2022. Disclosures for March 31, 2023 and March 31, 2022 have been made after giving effect to the sub-division of equity shares. [Refer Note 18(a)#].

(b) Set out below is a summary of options granted under the plan:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Exercise price (see note below) (in ₹)	Number of options [see note (a)(vi) above]	Exercise price (see note below) (in ₹)	Number of options [see note (a)(vi) above]
Opening Balance				
Options granted on November 10, 2017	64.54	1,90,000	64.54	2,40,000
Options granted on August 01, 2019	15.73	2,87,500	15.73	10,22,500
Granted during the year				
Options granted on May 28, 2022	36.20	16,00,000	-	-
Excercised during the year				
Options granted on August 01, 2019	15.73	2,40,500	15.73	7,35,000
Forfeited during the year				
Options granted on November 10, 2017	64.54	-	64.54	50,000
Options granted on May 28, 2022	36.20	75,000	15.73	-
Expired during the year				
Options granted on November 10, 2017	64.54	28,500	-	-
Closing Balance				
Options granted on November 10, 2017	64.54	**1,61,500**	64.54	**1,90,000**
Options granted on August 01, 2019	15.73	**47,000**	15.73	**2,87,500**
Options granted on May 28, 2022	36.20	**15,25,000**	-	**-**
Vested and exercisable		2,08,500		4,77,500

Note: The earlier exercise price of the options granted on November 10, 2017, August 01, 2019 and May 28, 2022 were ₹ 322.70 per option, ₹ 78.65 per option and ₹ 181.00 per option respectively. The exercise price of these options has been reduced [See note (a)(vi) above].

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

(c) The weighted average share price at the dates of exercise of the options exercised during the year ended March 31, 2023 was ₹ 52.58 (March 31, 2022 – ₹ 35.48).

(d) Share options outstanding at the end of the year have the following expiry date and exercise prices

Grant Date	Vesting Date	Expiry Date	Exercise price [see note (a)(vi) above] (in ₹)	Share options March 31, 2023	Share options March 31, 2022	Fair value of options at grant date [see note (a)(vi) above] (in ₹)
November 10, 2017	November 10, 2018	November 10, 2022	64.54	-	28,500	21.78
November 10, 2017	November 10, 2019	November 10, 2023	64.54	38,000	38,000	25.34
November 10, 2017	November 10, 2020	November 10, 2024	64.54	57,000	57,000	29.24
November 10, 2017	November 10, 2021	November 10, 2025	64.54	66,500	66,500	31.24
August 01, 2019	August 01, 2020	August 01, 2024	15.73	47,000	2,87,500	5.02
May 28, 2022	May 28, 2023	May 28, 2027	36.20	15,25,000	-	13.76
Total				**17,33,500**	**4,77,500**	

Weighted average remaining contractual life of options outstanding at the end of period	3.86 years	2.39 years

(e) Fair Value of options granted

The weighted average fair value at grant date (May 28, 2022) of options granted during the current year was ₹ 13.76 per option. The weighted average fair value at grant date (November 10, 2017) of options granted during the year ended March 31, 2018 was ₹ 28.04 per option and the weighted average fair value at grant date (August 01, 2019) of options granted during the year ended March 31, 2020 was ₹ 5.02 per option [see note (a)(vi) above].

The fair value at grant date is determined using the Black and Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of option.

The model inputs for options granted on November 10, 2017 included [see note (a)(vi) above]:

(a) options are granted for no consideration and vest upon completion of service for a period of 1-4 years. Vested options are excercisable for a period of four years after vesting.
(b) exercise price: ₹ 64.54 per option
(c) grant date: November 10, 2017
(d) expiry date: November 10, 2022 - November 10, 2025
(e) share price at grant date: ₹ 62.82 per share
(f) expected price volatility of the Company's shares: 48.32%-51.99%
(g) expected dividend yield: 1.69%
(h) risk free interest rate: 6.51% - 6.91%

The expected price volatility is based on the historic volatility (based on the remaining life of the options) adjusted for any expected changes to future volatility due to publicly available information.

The model inputs for options granted on August 01, 2019 included [see note (a)(vi) above]:

(a) options are granted for no consideration and vest upon completion of service for a period of one year. Vested options are excercisable for a period of four years after vesting.
(b) exercise price: ₹ 15.73 per option
(c) grant date: August 01, 2019
(d) expiry date: August 01, 2024
(e) share price at grant date: ₹ 15.73 per share

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

(f) expected price volatility of the Company's shares: 42.29%
(g) expected dividend yield: 0%
(h) risk free interest rate: 5.97%

The expected price volatility is based on the historic volatility (based on the remaining life of the options) adjusted for any expected changes to future volatility due to publicly available information.

The model inputs for options granted on May 28, 2022 included [see note (a)(vi) above]

(a) options are granted for no consideration and vest upon completion of service for a period of one year. Vested options are excercisable for a period of four years after vesting.
(b) exercise price: ₹ 36.20 per option
(c) grant date: May 28, 2022
(d) expiry date: May 28, 2027
(e) share price at grant date: ₹ 36.20 per share
(f) expected price volatility of the Company's shares: 4.14%
(g) expected dividend yield: 0%
(h) risk free interest rate: 7.35%

The expected price volatility is based on the historic volatility (based on the remaining life of the options) adjusted for any expected changes to future volatility due to publicly available information.

(f) Expenses arising from share based payment transactions

Total expenses arising from share based payment transactions recognized in the Standalone Statement of Profit and Loss as part of employee benefits expense:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Employee share-based payment expense (Refer Note 31)	192.35	44.97

Note 39 - Financial risk management

The Company's business activities exposes it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management and key management personnel have the ultimate responsibility for managing these risks. The Company has a mechanism to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's senior management and key management personnel are supported by the finance team and respective business divisions that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to protect the Company's financial results and position from financial risks; and maintain market risks within acceptable parameters, while optimising returns.

(A) Management of liquidity risk

The principal sources of liquidity of the Company are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. The Company is cognizant of reputational risk that are associated with the liquidity risk and such risk is factored into the overall business strategy. Due to the dynamic nature of the underlying businesses, finance department maintains flexibility in funding by having availability under commited credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2023	As at March 31, 2022
Expiring within one year (Current Borrowing facilities)	4,479.24	3,604.85
Expiring beyond one year	-	-

The bank loan facilities may be drawn at any time and the banks can also recall the facilities basis the breach of applicable covenants.

(ii) Maturity pattern of financial liabilities

The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

As at March 31, 2023	Less than 12 months	1 year to 3 years	More than 3 years
Non current borrowings (including current maturity of long term debt)	1,975.52	2,818.44	67.24
Current borrowings*	5,021.37	-	-
Trade payables	37,082.39	-	-
Trade / Security deposits	3,028.06	266.91	126.32
Lease liabilities	37.27	44.86	11.17
Other financial liabilities (excluding trade / security deposits)	13.65	1,575.63	-

As at March 31, 2022	Less than 12 months	1 year to 3 years	More than 3 years
Non current borrowings (including current maturity of long term debt)	2,289.97	3,734.31	938.55
Current borrowings*	5,374.73	-	-
Trade payables	34,672.85	-	-
Trade / Security deposits	1,332.76	353.75	-
Other financial liabilities (excluding trade / security deposits)	19.84	1,575.63	-

*does not include interest payable in future years, since they are repayable on demand and contractual payment to be made in respect of interest is not accurately determinable considering balance vary based on the fund requirements of the Company.

(B) Management of market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument.

The size and operations of the Company result in it being exposed to the following market risks that arise from its use of financial instruments:

i) price risk

ii) interest rate risk

iii) foreign exchange risk

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

The above risks may affect income and expenses, or the value of the financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to and the management of these risks is explained below:

Potential impact of risk	Management policy	Sensitivity to risk
i) Price risk		
The Company is mainly exposed to the price risk due to its investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments. Equity price risk is related to the change in market reference price of the investments in equity securities. In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities. The fair value of quoted equity instruments classified as fair value through Other Comprehensive Income as at March 31, 2023 is ₹ 52,175.27 (March 31, 2022: ₹ 63,195.59).	In order to manage its price risk arising from investments in equity instruments, the Company maintains its portfolio in accordance with the framework set by the Risk Management policies. Any new investment or divestment must be approved by the Board of Directors, Chief Financial Officer and Risk Management Committee.	As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the Company has calculated the impact as follows: For equity instruments, a 5% increase in Sensex prices would have led to an approximately additional ₹ 2,608.76 gain (March 31, 2022: ₹ 3,159.78). A 5% decrease in Sensex prices would have led to an equal but opposite effect. Above referred sensitivity pertains to quoted equity investments (Refer Note 6). Other Comprehensive Income for the year would increase / (decrease) as a result of gains/ losses on equity securities as at fair value through Other Comprehensive Income.
ii) Interest rate risk		
<u>Financial liabilities</u> The Company is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings. As at March 31, 2023 the exposure to interest rate risk due to variable interest rate borrowings amounted to ₹ 6,883.15 (73.54% of the total borrowings) [March 31, 2022: ₹ 8,141.25 (72.68% of the total borrowings)].	The Company monitors fluctuations in interest rate continuously and has laid policies and guidelines including to minimize impact of interest rate risk.	As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 25 bps* change in interest rates. A 25 bps* increase in interest rates would have led to approximately an additional loss ₹ 17.21 (March 31, 2022: ₹ 20.35 additional loss). A 25 bps* decrease in interest rates would have led to an equal but opposite effect. *Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilised for the whole financial year.
iii) Foreign exchange risk		
The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the functional currency (₹) of the Company. The risk also includes highly probable foreign currency cash flows.	The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD, GBP and AED. The aim of the Company's approach is to manage the currency risk and to leave the Company with no material residual risk. This aim has been achieved in all years presented.	As an estimation of the approximate impact of the foreign exchange rate risk, with respect to Financial Statements, the Company has calculated the following: For derivative and non-derivative financial instruments, a 5% increase in the spot price as on the reporting date would result in increase in profit and equity as of March 31, 2023 of ₹ 68.40 (March 31, 2022: gain of ₹ 51.85). A 5% decrease would have led to an equal but opposite effect.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

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

As at March 31, 2023		As at March 31, 2022	
Receivable/ Payable	**Receivable/ Payable in Foreign currency**	**Receivable/ Payable**	**Receivable/ Payable in Foreign currency**
₹ in Lakhs	**(Amount in Foreign currency) (in Lakhs)**	**₹ in Lakhs**	**(Amount in Foreign currency) (in Lakhs)**
Receivable			
796.21	USD 9.69	619.43	USD 8.17
571.74	AED 25.56	599.82	AED 29.07
Payable			
-	-	175.14	USD 2.31
-	-	6.95	GBP 0.07

(C) Management of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities which primarily includes trade receivables, security deposits and deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Cash and cash equivalent, deposit with banks and other bank balances

Credit risk related to cash and cash equivalent, deposit with banks and other bank balances is managed by accepting highly rated banks. Management does not expect any losses from non-performance by these counterparties.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large, diverse and across sectors and countries. All trade receivables are reviewed and assessed for default on a quarterly basis.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant increase in credit risk on other financial instruments of the same counterparty,

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

In furtherance to above, the Company has assessed the impact of the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized in respect of trade receivables. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the micro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, the Company has assessed credit risk on an individual basis in respect of certain customers [Also refer note (a) below].

Other financial assets

Other financial assets measured at amortized cost includes security deposits and other receivables. Credit risk related to these assets are managed by monitoring the recoverability of such amounts continuously, while at the same time the internal control system in place ensures that amounts are within defined limits. The Company has a diversified portfolio of investment with various number of counterparties which have secure credit ratings, hence the risk is reduced. Individual risk limits are

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the treasury department of the Company.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the Standalone Statement of Profit and Loss.

The movement in allowance for trade receivables is as follows

	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	1,552.24	1,142.74
Add: Created during the year	434.32	671.07
Less: Utilized during the year	(140.98)	(261.57)
Balance as at the end of the year	**1,845.58**	**1,552.24**

Note (a):

Amount of trade receivables for which the Company has assessed credit risk on an individual basis	13,785.45	16,825.05
Amount of loss allowance recognized for such trade receivables	1,214.65	969.20

Note (b): Expected credit loss %

Ageing	As at March 31, 2023	As at March 31, 2022
Less than 6 months	0.62%	0.05%
6 Months - 1 year	8.73%	7.33%
1 year - 1.5 years	21.98%	18.46%
1.5 years - 2 years	43.06%	32.25%
2 years - 2.5 years	62.52%	42.24%
2.5 years - 3 years	80.00%	57.60%
>3 years	100.00%	90.00%

The movement in loss allowances for security deposits is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	98.78	-
Add: Created during the year	164.69	98.78
Less: Utilized during the year	-	-
Balance as at the end of the year	**263.47**	**98.78**

Note 40 - Capital Management

The Company's objectives when managing capital are to:

- safeguard Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholder;
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' and lease liabilities as shown in the Standalone Balance Sheet) less cash and cash equivalents and other bank balances. Total capital is calculated as 'equity' as shown in the Balance Sheet.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Description	As at March 31, 2023	As at March 31, 2022
Total Equity (A)	**61,462.40**	**68,594.60**
Non-Current Borrowings	2,614.67	4,386.11
Current Borrowings (including accured interest)	6,745.44	7,873.70
Lease liabilities	75.60	-
Gross Debt (B)	**9,435.71**	**12,259.81**
Gross Debt as above		
Less: Cash and cash equivalents	4,883.41	5,285.64
Less: Other balances with bank	2,423.67	3,692.77
Less: Other non-current bank balances with maturity more than 12 months	379.72	440.98
Net Debt (C)	**1,748.91**	**2,840.42**
Net Debt to Equity (C/A)	**0.03**	**0.04**

Note 41 - Employee benefit obligations

Particulars	As at March 31, 2023	As at March 31, 2022
Compensated Absences (Refer Note 25)	431.55	325.97
Gratuity (Refer Note 25)	832.79	883.54
Total	**1,264.34**	**1,209.51**

(i) Compensated Absences

The employees of the Company are entitled to compensated absences as per the policy of the Company. The entire amount of the provision of compensated absences is presented as current, since the Company does not have an unconditional right to defer settlement for the obligation. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Particulars	As at March 31, 2023	As at March 31, 2022
Current leave obligations not expected to be settled within the next 12 months	331.52	290.91

(ii) Post employment obligations

(a) Defined Contribution Plans

The Company contributes towards Employees State Insurance Scheme, Family Pension Fund, Superannuation Fund and Provident Fund for certain employees. The contributions are normally based on a certain proportion of the employee's salary. During the year, the Company has recognized contribution to these funds aggregating to ₹ 389.84 (March 31, 2022: ₹ 303.02) (Refer Note 31).

(b) Defined Benefit Plans

Gratuity

The Company provides for gratuity for employees as per the Company policy. The amount of gratuity payable on retirement/ termination is payable to the employees based on last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Company has established Fund to which the Company makes contribution for the employees. The contributions are made based upon actuarial valuation done at the year end of every financial year using "Projected Unit Credit" method. The charge on account of provision for gratuity has been included in 'Employee Benefits Expense' in the Standalone Statement of Profit and Loss except remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability which are recognized in other comprehensive income.

Provident fund

In respect of certain employees, provident fund contributions are made to a separately administered trust. Such contribution to the provident fund are charged to the Standalone Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the guaranteed specified interest rate, the same is provided for by the Company.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

The actuary has provided an actuarial valuation and the interest shortfall liability, if any, has been provided in the books of accounts after considering the assets available with the provident fund trust.

GRATUITY

The amounts recognized in the Standalone Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As on April 01, 2021	**1,649.79**	**892.00**	**757.79**
Interest Expense/(Income)	264.60	59.02	205.58
Current Service Cost	83.52	-	83.52
Total amount recognized in the Standalone Statement of Profit and Loss	**348.12**	**59.02**	**289.10**
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	8.29	(8.29)
(Gain) / loss from change in demographic assumptions / acturial gains / losses	(1.26)	-	(1.26)
(Gain) / loss from change in financial assumptions	21.64	-	21.64
Experience (gains)/losses	96.58	-	96.58
Total amount recognized in Other Comprehensive Income	**116.96**	**8.29**	**108.67**
Employer Contributions	-	272.02	(272.02)
Benefit Payments	(310.42)	(310.42)	-
Balance as on March 31, 2022	**1,804.45**	**920.91**	**883.54**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As on April 01, 2022	1,804.45	920.91	883.54
Interest Expense/(Income)	129.02	65.84	63.18
Current Service Cost	91.63	-	91.63
Total Amount Recognized in the Standalone Statement of Profit and Loss	**220.65**	**65.84**	**154.81**
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	6.93	(6.93)
(Gain) / loss from change in financial assumptions	90.04	-	90.04
Experience (gains) / losses	151.33	-	151.33
Total Amount Recognized in Other Comprehensive Income	**241.37**	**6.93**	**234.44**
Employer Contributions	-	440.00	(440.00)
Benefit Payments	(38.44)	(38.44)	-
Balance as on March 31, 2023	**2,228.03**	**1,395.24**	**832.79**

PROVIDENT FUND

The amounts recognized in the Standalone Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As on April 01, 2021	**1,785.74**	**1,878.14**	**(92.40)**
Opening Balance adjustment	24.98	(53.74)	78.72
Interest Expense / (Income)	134.18	134.18	-
Current Service Cost	59.22	-	59.22
Employee Contributions	82.74	141.97	(59.23)
Return on plan assets	-	50.46	(50.46)
Benefit Payments	(395.90)	(395.90)	-
Balance as on March 31, 2022 *	**1,690.96**	**1,755.11**	**(64.15)**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As on April 01, 2022	**1,690.96**	**1,755.11**	**(64.15)**
Opening Balance adjustment	(18.76)	-	(18.76)
Interest Expense / (Income)	134.71	134.71	-
Current Service Cost	72.61	-	72.61
Contributions	94.96	167.56	(72.60)
Liabilities transferred in / (out)	21.49	21.49	-
Return on plan assets	-	(32.45)	32.45
Benefit Payments	(85.67)	(85.67)	-
Balance as on March 31, 2023 *	**1,910.30**	**1,960.75**	**(50.45)**

* Excess of the asset over liability is not recognized in the standalone financial statements.

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

GRATUITY

Particulars	As at March 31, 2023	As at March 31, 2022
Present Value of Obligations	2,228.03	1,804.45
Fair Value of Plan Assets	1,395.24	920.91
Net Liability	**832.79**	**883.54**

PROVIDENT FUND

Particulars	As at March 31, 2023	As at March 31, 2022
Present Value of Obligations	1,910.30	1,690.96
Fair Value of Plan Assets	1,960.75	1,755.11
Net Asset	**(50.45)**	**(64.15)**

* Excess of the asset over liability is not recognized in the standalone financial statements.

The significant actuarial assumptions were as follows

Particulars	As at March 31, 2023	As at March 31, 2022
Discount Rate / Return on plan assets		
Gratuity	7.47%	7.15%
Guaranted Return		
Provident fund	8.15%	8.10%
Rate of salary increase		
Gratuity	6.00%	5.00%
Rate of employee turnover		
Gratuity	3.00%	3.00%
Mortality rate during employment	Indian assured lives mortality (2012-14) (Urban)	Indian assured lives mortality (2012-14) (Urban)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Sensitivity Analysis

The sensitivity of the defined benefit obligation to increase and decrease in the the weighted principal assumptions by 0.50% is as below:

Particulars	Impact on defined benefit obligation			
	Increase in assumptions		Decrease in assumptions	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Discount Rate / Return on plan assets				
Gratuity	(64.99)	(56.47)	68.86	59.71
Rate of salary increase				
Gratuity	69.51	60.67	(66.17)	(57.86)
Rate of employee turnover				
Gratuity	3.80	6.17	(3.98)	(6.48)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the Standalone Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iii) The major categories of plan assets are as follows

The fair value of the plan assets at the end of the reporting period for each category are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Central Government of India bonds	13.60%	11.29%
State Government Securities	26.11%	26.73%
Special Deposits Scheme	9.14%	10.77%
Debt Instruments/Mutual Funds	48.49%	48.17%
Others	2.66%	3.04%

(iv) Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Demographic Risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit.

Salary Inflation Risk: Higher than expected increases in salary will increase the defined benefit obligation.

Interest-Rate Risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yield falls, the defined benefit obligation will tend to increase.

(v) Defined Benefit Liability and Employer Contributions

Expected contributions to post-employment benefit plans for the year ending March 31, 2024 are ₹ 210.92.

The weighted average duration of the defined benefit obligation is 7 years (March 31, 2022: 8 years).

The expected maturity analysis of undiscounted gratuity is as follows:

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Maturity Analysis of the Projected Benefit Obligations - Gratuity

Particulars	As at March 31, 2023	As at March 31, 2022
1st Following Year	287.05	69.86
2nd Following Year	101.45	175.64
3rd Following Year	167.66	168.45
4th Following Year	402.66	140.33
5th following year	206.26	320.48
Sum of 6 to 10	1,173.16	974.84
Sum of 11 and above	1,589.50	1,298.42

Note 42 - Related party transactions

I Name of related parties and nature of relationship:

A) **Subsidiary Companies:**

Mafatlal Services Limited

Vrata Tech Solutions Private Limited (VTSPL) (till June 30, 2022)

B) **Key Management Personnel:**

H. A. Mafatlal (Chairman)

Priyavrata H. Mafatlal (Son of Shri. H.A. Mafatlal) [Managing Director and Chief Executive Officer (CEO) till March 31, 2022] (Managing Director w.e.f. April 01, 2022)

Atul K. Srivastava (Non Executive Independent Director)

Vilas R. Gupte (Non Executive Independent Director)

Pradip N. Kapadia (Non Executive Independent Director)

Latika P. Pradhan (Non Executive Independent Director)

Gautam G. Chakravarti (Non Executive Independent Director)

Sujal A. Shah (Non Executive Independent Director)

C) **Individual having significant influence:**

H. A. Mafatlal

D) **Enterprises over which key management personnel and their relatives are able to exercise significant influence (with whom transactions have taken place):**

NOCIL Limited

KSG Trading Private Limited (Formerly known as Gayatri Pestichem Manufacturing Private Limited)**

MAF Technologies Private Limited

Vrata Tech Solutions Private Limited (w.e.f. July 01, 2022) [Refer Note 49(a)]

E) **Enterprises over which individual having significant influence and relatives of such individual are able to exercise significant influence (with whom transactions have taken place):**

Sumil Trading Private Limited

Intensive Clothing Care Unit

F) **Post employment benefit plan:**

The Mafatlal Gagalbhai & Sons and the Associate Concerns Officer's Superanuation Scheme

Mafatlal Industries Limited - Employees Gratuity Fund

Mafatlal Industries Limited - Employees Provident Fund

Mafatlal Denim Limited - Employees Provident Fund**

Mafatlal Denim Limited - Employees Superannuation Fund**

** No transactions during the current and previous year.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

II Transactions with related parties:

A) Key Management personnel compensation

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Directors Remuneration		
Short-term employee benefits		
Priyavrata H. Mafatlal	202.15	126.92
Post-employment benefits	*	*
Long-term employee benefits	*	*
Directors' sitting fees		
Latika P. Pradhan	11.20	11.20
Atul K. Srivastava	7.00	7.70
Pradip N. Kapadia	11.90	11.20
Gautam G. Chakravarti	12.60	12.60
Sujal A. Shah	11.20	10.50
Vilas R. Gupte	12.60	11.90
Total compensation	**268.65**	**192.02**

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

B) Transactions carried out with the related parties referred in (I) above, in ordinary course of business

Nature of transaction	**Year ended March 31, 2023**	**Year ended March 31, 2022**
(i) Revenue from contract with customer		
Sumil Trading Private Limited	-	60.68
Vrata Tech Solutions Private Limited	8.70	-
(ii) Other Income - Utility / business service / air-conditioning charges and other receipts in respect of investment properties		
NOCIL Limited	10.07	7.05
Intensive Clothing Care Unit	39.34	2.72
(iii) Other income - Rental income		
Sumil Trading Private Limited	5.22	2.65
Vrata Tech Solutions Private Limited	1.64	1.84
KSG Trading Private Limited (Formerly known as Gayatri Pestichem Manufacturing Private Limited)	-	0.13
(iv) Other income - Dividend Income		
NOCIL Limited	757.77	505.18
(v) Lease rent paid		
Sumil Trading Private Limited	7.88	-
(vi) Purchase of Property, plant and equipment		
Vrata Tech Solutions Private Limited	62.60	33.26
(vii) Purchase of raw material		
Sumil Trading Private Limited	-	1,301.11
(viii) Finance costs - Interest expense		
Sumil Trading Private Limited	44.95	-
(ix) Other expenses		
Sumil Trading Private Limited	4.50	9.00
Intensive Clothing Care Unit	2.79	-
Mafatlal Services Limited	11.67	9.61
Vrata Tech Solutions Private Limited	142.05	115.55

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Nature of transaction	Year ended March 31, 2023	Year ended March 31, 2022
(x) Recovery of expenses (net)		
Vrata Tech Solutions Private Limited	1.06	3.93
MAF Technologies Private Limited	0.26	-
Sumil Trading Private Limited	0.59	-
Intensive Clothing Care Unit	21.09	-
(xi) Payment for Post employment benefit plan		
The Mafatlal Gagalbhai & Sons and the associate concerns Officer's superanuation scheme	30.06	145.45
Mafatlal Industries Limited Employee's Gratuity Fund	440.00	272.02
Mafatlal Industries Limited Employee's Provident Fund	167.56	141.97
(xii) Proceeds from sale of subsidiary (VTSPL)		
Sumil Trading Private Limited [Refer Note 49(a)]	407.48	-

C) Outstanding balances with related parties refered in (I) above

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Trade and other receivables:		
NOCIL Limited	-	1.81
Intensive Clothing Care Unit	54.62	0.51
(ii) Trade and other payables:		
Sumil Trading Private Limited	1.89	459.95
Mafatlal Services Limited	-	1.65
Vrata Tech Solutions Private Limited	16.25	-
(iii) Advance to Suppliers		
Vrata Tech Solutions Private Limited	-	6.93
(iv) Investments in Related Parties		
NOCIL Limited	52,109.44	63,008.75
Vrata Tech Solutions Private Limited [Refer Note 49(a)]	-	45.00
Mafatlal Services Limited	27.50	27.50

Notes:

(a) Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

(b) Transactions were done in ordinary course of business and on normal terms and conditions.

(c) All outstanding balances are unsecured and receivable/payable in cash.

Note 43 - Contingent liabilities and contingent assets

(a) Contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax matters	2,728.51	2,578.00
Central excise, sales tax and related matters	240.55	240.55
Central excise and service tax matters	2,960.55	2,960.55
Labour law matters	105.90	173.64
Director General of Foreign Trade matters	4.79	4.79
Total	**6,040.30**	**5,957.53**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

(b) The Company is a lessee in respect of the land on which Mafatlal Centre and Mafatlal Chambers is erected. In this regard In case of Mafatlal Centre:

A demand for ₹ 2,696.98 (March 31, 2022: ₹ 2,696.98) for the period from 2004-07 and 2008-10 was raised by Brihanmumbai Mahanagarpalika ('BMC') towards property taxes in respect of the properties owned by various owners for the respective floors. The demand has been challenged by owners of various floors at appropriate forum and the matter is subjudice. In case the demand is finally upheld, the amount will be paid by the concerned co-owners and the Company will have no additional liability.

In case of Mafatlal Chambers:

A demand for ₹ 792.46 (March 31, 2022: ₹ 792.46) for the period 2000-05 has been raised by BMC towards property taxes in respect of the properties owned by the Company at the relevant time. The said demand has been disputed by the Company. As per the directions given by the Honourable Bombay High Court, the BMC has granted hearing to the Company and the final outcome is awaited.

(c) It is not practicable for the Company to estimate the timing of cash flows, if any, in respect of the above, pending resolution of the respective proceedings.

(d) The Company does not expect any reimbursement in respect of the above contingent liabilities.

(e) The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(f) Contingent liability relating to determination of provident fund liability, based on judgement from Hon'ble Supreme Court, is not determinable at present for the period prior to March, 2019, due to uncertainty of the impact of the judgement in the absence of further clarification relating to applicability. The Company has paid Provident Fund to employees as applicable with effect from March 2019. The Company will continue to assess any further developments in this matter for its implication on the financial statements, if any.

Note 44 - Capital Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Property, Plant and equipments	17.27	-
Less: Capital advances (Refer Note 9)	(17.27)	-
Net capital commitments	-	-

Note 45 - Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM consists of Chairman and Managing Director who are responsible for allocating resources and assessing performance of the operating segments.

Upto the previous year, the Company had identified 'Textile and related product' as its only primary reportable segment in accordance with the requirements of Ind AS 108, 'Operating Segments'. Accordingly, no separate segment information has been provided for the previous year. During the current year, the Company has identified and reported the following business segments:

a) Textile and related products, and

b) Technology and related products.

Segment revenue and results

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income, including income from investments and investment properties).

Segment Assets and Liabilities

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, inventories and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which cannot be allocated to any of the business segment are shown as unallocable assets / liabilities.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

(i) Operating segments based on nature of products

Particulars	Year ended March 31, 2023		
	Textile and related products	Technology and related products	Total
Income			
Segment Revenue	1,32,540.27	4,512.02	1,37,052.29
Other income	987.19	-	987.19
Total Income	**1,33,527.46**	**4,512.02**	**1,38,039.48**
Segment Result	**4,238.79**	**438.80**	**4,677.59**
Add/(Less) :			
Unallocated income / (expense) (net)			1,274.22
Unallocated depreciation and amortization			(98.93)
Unallocable Finance Cost			(1,771.75)
Profit before exceptional items and tax			**4,081.13**
Exceptional Items (Net) (Refer note 35)			(53.57)
Tax expense			(279.46)
Profit for the year			**3,748.10**

Particulars	As at March 31, 2023		
	Textile and related products	Technology and related products	Total
Other Information:			
Segment assets	60,214.38	92.68	60,307.06
Unallocable assets *			57,194.41
Total Assets			**1,17,501.47**
Segment liabilities	44,293.38	126.68	44,420.06
Unallocable liabilities			
Borrowings			9,360.11
Others			2,258.90
Total Liabilities			**56,039.07**

* Unallocable assets are majorly pertaining to investments.

Particulars	Year ended March 31, 2023		
	Textile and related products	Technology and related products	Total
Capital Expenditure:			
Segment capital expenditure	1,229.47	-	1,229.47
Unallocated capital expenditure			312.59
Total capital expenditure			**1,542.05**
Depreciation and Amortization:			
Segment depreciation and amortization	1,437.25	-	1,437.25
Unallocated depreciation and amortization			98.93
Total depreciation and amortization			**1,536.18**
Significant non-cash expenditure (other then depreciation and amortization):			
Segment significant non-cash expenditure (other then depreciation and amortization)	625.78	-	625.78
Unallocated significant non-cash expenditure (other then depreciation and amortization)			-
Total significant non-cash expenditure (other then depreciation and amortization)			**625.78**
Additions to Non Current Assets			
Segment additions to non current assets	17.27	-	17.27
Unallocated additions to non current assets			-
Total Additions to Non Current Assets			**17.27**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

(ii) Entity wide disclosure

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

The Company derives revenue from the transfer of goods and services in the following geographical regions (based on area of sales)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	1,33,356.39	96,055.07
Asia (Excluding India)	3,444.56	3,702.66
Others	251.34	181.78
Total	**1,37,052.29**	**99,939.51**

Segment Assets

Non-current assets excluding financial assets, deferred tax assets and income tax assets (based on area of non-current assets):

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	9,551.01	9,706.20
Asia (Excluding India)	-	-
Others	-	-
Total	**9,551.01**	**9,706.20**

The Company has revenue of more than 10% from the Directorate of Food and Consumer Affairs, Jharkhand amounting to ₹ 15,172.09 during the current year (March 31, 2022: ₹ 37,231.00).

Note 46 - Earnings per share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Basic Earnings Per Share		
Profit for the year as per the Standalone Statement of Profit and Loss	3,748.10	2,929.11
Weighted average number of shares for the purposes of basic earnings per share (in numbers)	7,04,60,322	6,99,60,423
Basic Earnings Per Share (in ₹)	5.32	4.19
Diluted Earnings Per Share		
Profit for the year as per the Standalone Statement of Profit and Loss	3,748.10	2,929.11
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share (in numbers)	7,10,48,027	7,01,26,665
Diluted Earnings Per Share (in ₹)	5.28	4.18
Weighted average number of shares used as the denominator (in numbers)		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	7,04,60,322	6,99,60,423
Adjustment for calculation of diluted earning per share:		
Employees stock option [Refer Note (a) below]	5,87,705	1,66,242
Weighted average number of shares used as the denominator for calculating diluted earnings per share	7,10,48,027	7,01,26,665

Note (a) - Information concerning the classification of securities

Options granted to employees under the Mafatlal Employee Stock Option Scheme 2017 ('ESOS 2017') are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in Note 38.

Note (b) - Sub-division of equity shares

Pursuant to the approval of the shareholders through postal ballot ("e-voting") dated November 07, 2022, 1 equity share of the Company having a face value of ₹ 10/- each was sub-divided into 5 equity shares having a face value of ₹ 2/- each with effect from the record date, i.e., November 25, 2022. Consequently, the basic and diluted earnings per share have been computed for all the periods presented in the Standalone Financial Statements of the Company on the basis of the new number of equity shares in accordance with Ind AS 33 – Earnings per Share.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 47 - Government Grants

Export Promotion Capital Goods (EPCG): This scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on such capital goods. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as a Capital Grant as stated in the accounting policy on Government Grants (Refer note 2).

Technology Upgradation Fund Scheme (TUFS): The Company is entitled to subsidy, on its investment in the property, plant and equipment, on fulfilment of the conditions stated in the Scheme.

Duty Drawback Scheme: Under Duty drawback scheme, the Company receives certain percentage of export proceeds as a duty drawback from custom authorities on export of products.

The Government Grants above represents unamortised amount of the subsidy referred below, with the corresponding adjustment to the carrying amount of property, plant and equipment [Refer note 3(a)].

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	271.31	401.49
Grants during the year	-	-
Less: Released to Standalone Statement of Profit and Loss [Refer Note 28(a)]	(101.95)	(130.18)
Closing balance	**169.36**	**271.31**

Description	As at March 31, 2023	As at March 31, 2022
Current portion (Refer Note 26)	73.73	130.18
Non-current portion (Refer Note 21)	95.63	141.13
Total	**169.36**	**271.31**

Note 48(a) - Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
Current			
First and Second Charge			
Financial Assets			
Trade receivables	11	28,554.79	25,353.59
Deposits with banks	13	-	170.88
Non-Financial Assets			
Inventories	10	10,624.28	7,195.88
Total Current assets pledged as security		**39,179.07**	**32,720.35**
Non-Current			
First and Second Charge			
Financial Assets			
Investments	6	12,133.24	12,568.18
Deposit with bank	8	231.18	82.50
Non-Financial Assets			
Land	3(a)	5.21	5.23
Building	3(a)	211.98	232.21
Plant and Machinery	3(a)	6,723.12	7,469.35
Investment Properties	4	3.93	4.96
Vehicles	3(a)	272.79	83.43
Total non-current assets pledged as security		**19,581.45**	**20,445.86**
Total assets pledged as security		**58,760.52**	**53,166.21**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 48(b) - Net debt reconciliation

Particulars	As at March 31, 2023	As at March 31, 2022
Short term borrowings	(5,021.37)	(5,374.73)
Long term borrowings	(2,614.67)	(4,386.11)
Current maturities of long term borrowings	(1,724.07)	(1,441.41)
Lease Liabilities	(75.60)	-
Total debt	**(9,435.71)**	**(11,202.25)**
Cash and Cash equivalents	4,883.41	5,285.64
Net debt	**(4,552.30)**	**(5,916.61)**

Particulars	Other assets	Liabilities from financing activities			Total
	Cash and cash equivalents	Long term borrowings including current maturity	Short term borrowings	Lease Liability	
Net debt as at April 01, 2022	**5,285.64**	**(5,827.52)**	**(5,374.73)**	**-**	**(5,916.61)**
Cash flows	(402.23)	1,469.89	353.36	8.69	1,429.71
Interest expense	-	(602.46)	(602.17)	(3.63)	(1,208.26)
Interest paid	-	621.35	602.17	3.63	1,227.15
Non cash movements for acquisitions and disposals	-	-	-	(84.29)	(84.29)
Net debt as at March 31, 2023	**4,883.41**	**(4,338.74)**	**(5,021.37)**	**(75.60)**	**(4,552.30)**
Net debt as at April 01, 2021	**3,529.22**	**(8,255.26)**	**(6,549.29)**	**-**	**(11,275.33)**
Cash flows	1,756.42	2,425.03	1,174.56	-	5,356.01
Interest expense	-	(808.08)	(616.69)	-	(1,424.77)
Interest paid	-	810.79	616.69	-	1,427.48
Net debt as at March 31, 2022	**5,285.64**	**(5,827.52)**	**(5,374.73)**	**-**	**(5,916.61)**

Note - 49

(a) During the year, the Board of Directors of the Company approved the divestment of its investment in Vrata Tech Solutions Private Limited (VTS), a Subsidiary company representing 77.78% of the paid-up share capital of VTS. As a result, a Share Purchase Agreement was entered on June 20, 2022 with a promoter group company (Sumil Trading Private Limited) for the total consideration of ₹ 407.48 (based on fair value of equity share of VTS carried-out by the independent valuer) which was concluded on June 30, 2022. Subsequent to this transaction, VTS ceased to be a subsidiary of the Company with effect from June 30, 2022.

(b) The Board of Directors of the Company at its meeting held on November 14, 2022, has approved the scheme of arrangement for capital reduction and reorganization pursuant to the provisions of Section 230 and other applicable provisions of the Companies Act, 2013. The scheme will be given effect to on receipt of requisite approvals.

Note - 50

(i) As legally advised, the Company has not recognized as income recovery of rent and other charges of ₹ 83.61 upto March 31, 2023 (₹ 83.61 upto March 31, 2022) pending final resolution of legal dispute with certain ex-tenants of a property in South Mumbai. At present, the legal dispute is pending with the Hon'ble Bombay High Court. A sum of ₹ 577.89 (Net) was withdrawn by the Company in accordance with the Orders passed by the Hon'ble High Court of Bombay on the Civil Revision Applications filed by the ex-tenants and the said amount of ₹ 577.89 has been included in other non-current liabilities (Refer Note 20).

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

(iii) Pursuant to the demerger of the Real Estate and Investment Business to Sulakshana Securities Limited (SSL) in 2002, the shareholders of the Company are to be issued one equity share of ₹ 10 each (before giving effect of sub-division), fully paid-up,

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

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. As the shareholders of the Company would be entitled to receive only fractional shares of SSL, the rehabilitation scheme sanctioned by BIFR envizages 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 from NFIL on behalf of the shareholders, which is pending disbursement upon completion of formalities.

(iv) During the financial year ended March 31, 2019, the Company had filed a review petition against the Order of Honourable Bombay High Court partially allowing the Writ petition No. 2982 of 2016 filed by the Company, in so far as it related to rejection of the claim of the Company for non-cash compensation benefit (TDR) against surrender of a part of land at Mazgaon (reserved land) to Municipal Corporation of Greater Mumbai (MCGM). Subsequent to year-end, the said review petition was dismissed by the Honourable Bombay High Court on April 20, 2023. The Company is in the process of obtaining legal advice on this matter and shall take necessary action accordingly.

Note 51 - Details of Research and Development

Details of research and development expenditure recognized as expense:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Employee benefits expense	79.62	70.50
Consumables	3.58	2.15
Repairs and Maintenance	1.27	3.83
Total	**84.47**	**76.48**

Note 52 - Financial ratios

The ratios for the years ended March 31, 2023 and March 31, 2022 are as follows:

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance	Reason for variance (if more than 25%)
Current Ratio (times)	Total current assets	Total current liabilities	1.03	0.98	5.10%	Not applicable as the variance is less than 25% as compared to the previous financial year.
Debt-Equity Ratio (times)	Total debt (Total borrowings + lease liabilities)	Shareholders' equity	0.15	0.16	(6.25%)	Not applicable as the variance is less than 25% as compared to the previous financial year.
Debt service coverage ratio (times)	Earnings available for debt service (Profit for the year + depreciation and amortization expense + finance cost)	Debt service (Finance cost paid and principle repayment of lease liabilities and borrowings)	1.95	1.16	73.28%	The change in ratio is on account of increase in profits as compared to the previous year led by improvement in operations and monetization of certain assets and reduction in debt service obligation due to reduction in long term debt liability.
Return on equity ratio (%)	Profit for the year	Average shareholders' equity	5.76%	5.08%	13.39%	Not applicable as the variance is less than 25% as compared to the previous financial year.
Inventory turnover ratio (times)	Revenue from operations	Average inventory	15.38	20.73	(25.81%)	The change in the ratio is due to increase in average inventories as at the current year-end which is to fulfill the orders in hand.
Trade receivables turnover ratio (times)	Revenue from operations (excluding export incentives)	Average trade receivables	5.07	4.24	19.58%	Not applicable as the variance is less than 25% as compared to the previous financial year.
Trade payables turnover ratio (times)	Purchase of raw material and packing material + purchase of stores and spares + purchase of stock-in-trade + other expenses	Average trade payables	3.79	3.43	10.50%	Not applicable as the variance is less than 25% as compared to the previous financial year.
Net capital turnover ratio (times)	Revenue from operations	Working capital (current assets - current liabilities)	91.42	(96.68)	(194.56%)	The change in ratio is due to increase in turnover compared to the previous financial year along with improvement in net working capital which was negative in the previous year.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance	Reason for variance (if more than 25%)
Net profit ratio (%)	Profit for the year	Revenue from operations	2.73%	2.93%	(6.83%)	Not applicable as the variance is less than 25% as compared to the previous financial year.
Return on capital employed (%)	Earnings before interest and tax before exceptional items	Capital employed = Tangible net worth (shareholder's equity + borrowings + lease liabilities)	8.26%	7.64%	8.12%	Not applicable as the variance is less than 25% as compared to the previous financial year.
Return on investment (%)	Earnings before interest and tax before exceptional items	Average total assets	4.89%	5.63%	(13.14%)	Not applicable as the variance is less than 25% as compared to the previous financial year.

Note 53 - Additional regulatory information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions(Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iii) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year. [Also refer Note 49(b)]

(v) Valuation of Property, plant and equipment, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

(vi) Utilization of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(vii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(viii) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

(ix) Utilization of borrowings availed from banks and financial institutions

The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were taken.

(x) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of layers) Rules, 2017.

(xi) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xii) Borrowing secured against current assets

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

Note 54 - Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures.

Note 55 - The Standalone Financial Statements were authorised for issue by the Board of Directors on May 30, 2023.

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

In terms of our report attached

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

Pankaj Khandelia
Partner
Membership Number: 102022

Place: Mumbai
Date: May 30, 2023

For and on behalf of the Board of Directors

H. A. Mafatlal	**P. H. Mafatlal**	**M. P. Shah**	**A. P. Shah**
Chairman	Managing Director	Chief Financial Officer	Company Secretary
(DIN: 00009872)	(DIN: 02433237)		
Place: Mumbai	Place: Sydney	Place: Mumbai	Place: Mumbai
Date: May 30, 2023	Date: May 30, 2023	Date: May 30, 2023	Date: May 30, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Mafatlal Industries Limited

Report on the audit of the consolidated financial statements

Opinion

1. We have audited the accompanying consolidated financial statements of Mafatlal Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), (refer Note 53 to the attached consolidated financial statements, which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph 14 of the Other Matters section below, other than the unaudited financial information as certified by the management and referred to in sub-paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
Assessment of recoverability of deferred tax assets: Refer Note 36(e) to the consolidated financial statements. The Holding Company has recognised Deferred Tax Assets (DTA) on temporary differences and unabsorbed depreciation as it is considered to be recoverable based on the Holding Company's projected taxable profits in the forecast period. The carrying value of DTA (net) is ₹ 498.11 Lakhs as at March 31, 2023. We considered this a key audit matter because significant judgement is required by the Holding Company in determining the recoverability of DTA recognised on unabsorbed depreciation as the realisation of tax benefits is dependent on future taxable profits and there are inherent uncertainties involved in forecasting such profits.	Our audit procedures included the following: • Evaluation of the design and testing operating effectiveness of Holding Company's controls relating to the assessment of carrying amount of deferred tax assets. • Assessed the appropriateness of the Holding Company's accounting policy in respect of recognizing deferred tax assets on unabsorbed depreciation and temporary differences. • Obtained the future taxable profit projections prepared by the management and performed enquiries to understand the assumptions used in such preparation. • Assessed the appropriateness of tax rate applied to the taxable profit forecasts. • Evaluated whether the unabsorbed depreciation, on which deferred tax asset is recognised, has been assessed by the tax authorities and is available for utilisation in accordance with the provisions of the Income-tax Act, 1961. • Verified the mathematical accuracy of the calculations underlying the profit projections.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matter	How our audit addressed the key audit matter
	• Assessed the adequacy of disclosures made in the consolidated financial statements with regard to deferred taxes. • Verified the income tax computation for the current year resulting in a reversal of the deferred tax assets from the previous year. Based on the above procedures, the management's assessment of recoverability of deferred tax assets was considered to be reasonable.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's responsibilities for the audit of the consolidated financial statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    • Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design

INDEPENDENT AUDITOR'S REPORT (Contd.)

and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14. We did not audit the financial statements of one subsidiary (i.e. Mafatlal Services Limited), whose financial statements reflect total assets of ₹ 13.02 Lakhs and net assets of ₹ 4.57 Lakhs as at March 31, 2023, total revenue of ₹ 31.55 Lakhs, total comprehensive income (comprising of loss and other comprehensive income) of ₹ (0.10 Lakhs) and net cash inflows amounting to ₹ 0.49 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditors.

INDEPENDENT AUDITOR'S REPORT (Contd.)

15. We did not audit the financial information of one subsidiary (i.e. Vrata Tech Solutions Private Limited, also refer Note 53 to the consolidated financial statements), whose financial information reflect total assets and net assets of ₹ Nil as at March 31, 2023, total revenue of ₹ 149.12 Lakhs, total comprehensive income (comprising of loss and other comprehensive income) of ₹ (50.47 Lakhs) and net cash outflows amounting to ₹ 31.08 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

16. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

17. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on April 01, 2023 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company, incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in **"Annexure A"**.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group - Refer Notes 43 and 52 to the consolidated financial statements.

    ii. The Group was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Group did not have any derivative contracts as at March 31, 2023.

    iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year. During the year ended March 31, 2023, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiaries companies incorporated in India.

    iv. (a) The respective Managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under

INDEPENDENT AUDITOR'S REPORT (Contd.)

the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or such subsidiary to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries [Refer Note 53(vi) to the consolidated financial statements];

(b) The respective Managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or such subsidiary, with the understanding, whether recorded in writing or otherwise, that the Holding Company or such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries [Refer Note 53(vi) to the consolidated financial statements];

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The Holding Company and its subsidiary companies have not declared or paid any dividend during the year.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Group, is applicable to the Group, only with effect from financial year beginning April 01, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

18. The Group has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Pankaj Khandelia
Partner
Membership Number: 102022
UDIN: 23102022BGTWNK5655

Place: Mumbai
Date: May 30, 2023

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 17(f) of the Independent Auditor's Report of even date to the members of Mafatlal Industries Limited on the consolidated financial statements for the year ended March 31, 2023

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Mafatlal Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, to whom reporting under clause (i) of sub-section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT (Contd.)

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India. Our opinion is not modified in respect of this matter.

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

Pankaj Khandelia
Partner
Membership Number: 102022
UDIN: 23102022BGTWNK5655

Place: Mumbai
Date: May 30, 2023

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	9,102.08	9,285.94
Right-of-use assets	3(b)(i)	73.74	102.49
Investment properties	4	233.94	235.65
Intangible assets	5	70.81	141.28
Financial assets			
i. Investments	6	52,288.19	63,295.36
ii. Other financial assets	8	695.03	765.58
Deferred tax assets (net)	36(e)	498.11	787.45
Other non-current assets	9	70.66	53.39
Non-current tax assets (net)	36(h)	1,620.84	1,510.44
Total non-current assets		**64,653.40**	**76,177.58**
Current assets			
Inventories	10	10,624.28	7,197.59
Financial assets			
i. Investments	7	-	3.15
ii. Trade receivables	11(b)	28,588.64	25,444.19
iii. Cash and cash equivalents	12	4,884.71	5,369.00
iv. Bank balances other than (iii) above	13	2,431.67	3,699.77
v. Loans	14	2.13	0.52
vi. Other financial assets	15	2,054.31	1,575.89
Other current assets	16	4,247.10	2,871.71
Assets held for sale	17	0.75	0.13
Total current assets		**52,833.59**	**46,161.95**
TOTAL ASSETS		**1,17,486.99**	**1,22,339.53**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18(a)	1,411.88	1,407.07
Other equity	18(b)		
i. Reserves and surplus		11,716.75	7,901.46
ii. Other reserves		48,316.19	59,298.59
Equity attributable to owners of Mafatlal Industries Limited		**61,444.82**	**68,607.12**
Non Controlling Interest	50(b)	0.71	23.11
Total Equity		**61,445.53**	**68,630.23**
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	19	2,614.67	4,386.11
ii. Lease liabilities	3(b)(ii)	38.33	79.27
iii. Other financial liabilities	20	1,973.65	1,934.17
Other non-current liabilities	21	95.63	141.13
Total non-current liabilities		**4,722.28**	**6,540.68**
Current liabilities			
Financial liabilities			
i. Borrowings	22	6,745.44	6,816.14
ii. Trade payables	23		
- total outstanding dues of micro enterprises and small enterprises; and		1,331.55	1,026.73
- total outstanding dues of creditors other than micro enterprises and small enterprises		35,745.20	33,661.94
iii. Lease liabilities	3(b)(ii)	37.27	25.80
iv. Other financial liabilities	24	3,041.71	2,410.16
Provisions	25	1,267.49	1,251.18
Other current liabilities	26	3,113.80	1,387.88
Current tax liabilities (net)	36(i)	-	20.59
Liabilities directly associated with assets held for sale (net)		36.72	568.20
Total current liabilities		**51,319.18**	**47,168.62**
Total liabilities		**56,041.46**	**53,709.30**
TOTAL EQUITY AND LIABILITIES		**1,17,486.99**	**1,22,339.53**

The accompanying notes are an integral part of these Consolidated financial statements.

In terms of our report attached

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

For and on behalf of the Board of Directors

Pankaj Khandelia	**H. A. Mafatlal**	**P. H. Mafatlal**	**M. P. Shah**	**A. P. Shah**
Partner	Chairman	Managing Director	Chief Financial Officer	Company Secretary
Membership Number: 102022	(DIN: 00009872)	(DIN: 02433237)		
Place: Mumbai	Place: Mumbai	Place: Sydney	Place: Mumbai	Place: Mumbai
Date: May 30, 2023	Date: May 30, 2023	Date: May 30, 2023	Date: May 30, 2023	Date: May 30, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
Revenue from operations	27	1,37,171.03	1,00,307.29
Other income	28(a)	2,207.05	1,707.31
Other gains / (losses) (net)	28(b)	2,312.60	4,728.68
Total Income		**1,41,690.68**	**1,06,743.28**
EXPENSES			
Cost of materials consumed	29	20,057.50	17,550.93
Purchases of stock-in-trade		90,748.93	66,235.69
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(3,488.89)	(4,393.76)
Employee benefits expense	31	5,316.03	4,459.10
Finance costs	32	1,771.80	1,863.05
Depreciation and amortization expense	33	1,542.94	1,576.51
Other expenses	34	21,702.56	15,284.21
Total expenses		**1,37,650.87**	**1,02,575.73**
Profit before exceptional items and tax		**4,039.81**	**4,167.55**
Exceptional items	35	(53.57)	(1,016.72)
Profit before tax		**3,986.24**	**3,150.83**
Tax expense	36(a)		
- Current tax		-	-
- Deferred tax charge		(279.46)	(285.26)
Total tax expense		**(279.46)**	**(285.26)**
Profit for the year		**3,706.78**	**2,865.57**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
- Changes in fair value of FVOCI equity instruments	18(b)	(10,876.04)	18,950.54
- Remeasurements of post-employment benefit obligations charge	41	(234.44)	(108.67)
Total Other Comprehensive Income for the year		**(11,110.48)**	**18,841.87**
Total Comprehensive Income for the year		**(7,403.70)**	**21,707.44**
Profit / (Loss) is attributable to:			
Owners of Mafatlal Industries Limited		3,718.00	2,876.30
Non Controlling Interest		(11.22)	(10.73)
		3,706.78	2,865.57
Other comprehensive income is attributable to:			
Owners of Mafatlal Industries Limited		(11,110.48)	18,841.87
Non Controlling Interest		-	-
		(11,110.48)	18,841.87
Total comprehensive income is attributable to:			
Owners of Mafatlal Industries Limited		(7,392.48)	21,718.17
Non Controlling Interest		(11.22)	(10.73)
		(7,403.70)	21,707.44
Earnings per equity share of ₹ 2/- each	46		
Basic		5.26	4.10
Diluted		5.22	4.09

The accompanying notes are an integral part of these Consolidated financial statements.

In terms of our report attached

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

Pankaj Khandelia
Partner
Membership Number: 102022

Place: Mumbai
Date: May 30, 2023

For and on behalf of the Board of Directors

H. A. Mafatlal
Chairman
(DIN: 00009872)
Place: Mumbai
Date: May 30, 2023

P. H. Mafatlal
Managing Director
(DIN: 02433237)
Place: Sydney
Date: May 30, 2023

M. P. Shah
Chief Financial Officer
Place: Mumbai
Date: May 30, 2023

A. P. Shah
Company Secretary
Place: Mumbai
Date: May 30, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT MARCH 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

A. Equity share capital

Description	Notes	Total
As at April 01, 2021		1,392.37
Changes in equity share capital during the year	18(a)	14.70
As at March 31, 2022		**1,407.07**
Changes in equity share capital during the year	18(a)	4.81
As at March 31, 2023		**1,411.88**

B. Other equity

Particulars	Attributable to owners of Mafatlal Industries Limited												Total Other Equity Attributable to Owners	Non Controlling Interest
	Reserves and Surplus											Other Reserves		
	Securities premium reserve	Retained Earnings	Capital reserve No.1	Capital reserve No. 2	Capital Reserve on Amalgamation	General Reserve	Capital Redemption Reserve	Capital Investment Reserve	Investment Reserve	ESOP Reserve	Export Profit Reserve	FVOCI - Equity instruments		
As at April 01, 2021	**17,463.00**	**(25,479.72)**	**61.16**	**35.00**	**3,634.48**	**620.00**	**8,383.14**	**75.96**	**1.78**	**93.35**	**20.00**	**40,348.05**	**45,256.20**	**4.69**
Profit for the year	-	2,876.30	-	-	-	-	-	-	-	-	-	-	2,876.30	(10.73)
Other comprehensive income	-	(108.67)	-	-	-	-	-	-	-	-	-	18,950.54	18,841.87	-
Total comprehensive income	**-**	**2,767.63**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**18,950.54**	**21,718.17**	**(10.73)**
Adjustment for dilution of a subsidiary	72.66	4.50	-	-	-	-	-	-	-	-	-	-	77.16	29.15
Employee share-based payment expense [Refer Note 38]	-	-	-	-	-	-	-	-	-	47.60	-	-	47.60	-
Employee share options exercised during the year	163.45	-	-	-	-	-	-	-	-	(62.53)	-	-	100.92	-
As at March 31, 2022	**17,699.11**	**(22,707.59)**	**61.16**	**35.00**	**3,634.48**	**620.00**	**8,383.14**	**75.96**	**1.78**	**78.42**	**20.00**	**59,298.59**	**67,200.05**	**23.11**
Profit for the year	-	3,718.00	-	-	-	-	-	-	-	-	-	-	3,718.00	(11.22)
Other comprehensive income	-	(234.44)	-	-	-	-	-	-	-	-	-	(10,876.04)	(11,110.48)	-
Total comprehensive income	**-**	**3,483.56**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(10,876.04)**	**(7,392.48)**	**(11.22)**
Adjustment on sale of subsidiary [Refer Note 49(a)]	-	-	-	-	-	-	-	-	-	-	-	-	-	(11.18)
Employee share-based payment expense [Refer Note 38]	-	-	-	-	-	-	-	-	-	192.35	-	-	192.35	-
Transfer of gain on FVOCI equity instruments to Retained Earnings	-	106.36	-	-	-	-	-	-	-	-	-	(106.36)	-	-
Employee share options exercised during the year	45.08	-	-	-	-	-	-	-	-	(12.06)	-	-	33.02	-
As at March 31, 2023	**17,744.19**	**(19,117.67)**	**61.16**	**35.00**	**3,634.48**	**620.00**	**8,383.14**	**75.96**	**1.78**	**258.71**	**20.00**	**48,316.19**	**60,032.94**	**0.71**

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

In terms of our report attached

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

Pankaj Khandelia
Partner
Membership Number: 102022

Place: Mumbai
Date: May 30, 2023

For and on behalf of the Board of Directors

H. A. Mafatlal
Chairman
(DIN: 00009872)

Place: Mumbai
Date: May 30, 2023

P. H. Mafatlal
Managing Director
(DIN: 02433237)

Place: Sydney
Date: May 30, 2023

M. P. Shah
Chief Financial Officer

Place: Mumbai
Date: May 30, 2023

A. P. Shah
Company Secretary

Place: Mumbai
Date: May 30, 2023

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
A.	**Cash flows from operating activities**		
	Profit before exceptional items and tax	4,039.81	4,167.55
	Adjustments for:		
	Employee share-based payment expense	192.35	47.60
	Depreciation and amoritsation expense	1,542.94	1,576.51
	Finance costs	1,771.80	1,863.05
	Net gain on disposal of property, plant and equipment and investment properties	(1,849.81)	(4,692.45)
	Net gain on sale of subsidiary [Refer Note 49(a)]	(371.62)	-
	Interest income	(205.11)	(185.82)
	Apportioned income from Government grants	(101.95)	(130.18)
	Dividend income from equity investments designated at fair value through other comprehensive income	(758.90)	(511.22)
	Rental income from investment properties	(311.76)	(359.03)
	Utility / business service / air-conditioning charges and other receipts in respect of investment properties	(464.94)	(411.07)
	Liabilities / provisions no longer required written back	(104.26)	(42.80)
	Bad debts written off	140.98	261.57
	Advances written off	26.77	40.10
	Loss allowance on trade receivables / (written back)	293.34	(392.28)
	Loss allowance on deposits	164.69	98.79
	Net unrealized exchange gain	(53.14)	(17.69)
	Operating profit before working capital changes	**3,951.19**	**1,312.63**
	Changes in working capital		
	Adjustments for:		
	Increase in inventories	(3,456.64)	(4,750.63)
	Increase in trade and other receivables	(5,639.94)	(3,421.76)
	Increase in trade and other payables	4,828.04	9,188.14
	(Decrease) / increase in provisions	(181.94)	65.07
		(4,450.48)	**1,080.82**
	Cash (used in) / generated from operations	**(499.29)**	**2,393.45**
	Direct taxes paid (net of refund received)	(161.02)	(424.95)
	Exceptional items	(53.57)	(1,016.72)
	Net cash (outflow) / inflow from operating activities	**(713.88)**	**951.78**
B.	**Cash flow from investing activities**		
	Payments for property, plant and equipment and intangible assets	(1,530.91)	(440.16)
	Payments for investment properties	(15.90)	-
	Proceeds from sale of investment properties	787.75	2,000.00
	Proceeds from sale of property, plant and equipment / assets held for sale	775.31	4,409.15
	Purchase of investments	(10.00)	(17.50)
	Proceeds from sale of subsidiary (net of cash disposed)	356.02	-
	Proceeds from sale of investments	144.28	70.40
	Term deposits matured / (placed) with banks (net)	1,330.36	(1,378.45)
	Interest income	220.52	185.82
	Dividend income from equity investments designated at fair value through other comprehensive income	758.90	511.22
	Rental income from investment properties	311.76	359.03
	Utility / business service / air-conditioning charges and other receipts in respect of investment properties	464.94	411.07
	Net cash inflow from investing activities	**3,593.03**	**6,110.58**

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
C.	**Cash flow from financing activities**		
	Proceeds from issues of equity shares	37.83	115.61
	Proceeds from issues of equity shares of subsidiary	-	106.28
	Non-current borrowings taken	169.88	29.65
	Non-current borrowings repaid	(1,639.77)	(2,454.68)
	Current borrowings taken / (repaid) (net)	(278.33)	(1,174.56)
	Principal element of lease payment	(28.50)	2.58
	Interest paid on lease liabilities	(3.68)	-
	Interest paid (including other finance costs)	(1,620.87)	(1,865.76)
	Net cash outflow from financing activities	**(3,363.44)**	**(5,240.88)**
	Net (decrease) / increase in cash and cash equivalents	**(484.29)**	**1,821.48**
	Cash and cash equivalents at the beginning of the year	**5,369.00**	**3,547.52**
	Cash and cash equivalents at the end of the year (Refer Note 12)	**4,884.71**	**5,369.00**

Note:

The above Statement of Cash Flows has been prepared under the indirect method as set of in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

The accompanying notes are an integral part of these Consolidated financial statements.

In terms of our report attached

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

Pankaj Khandelia
Partner
Membership Number: 102022

Place: Mumbai
Date: May 30, 2023

For and on behalf of the Board of Directors

H. A. Mafatlal
Chairman
(DIN: 00009872)

Place: Mumbai
Date: May 30, 2023

P. H. Mafatlal
Managing Director
(DIN: 02433237)

Place: Sydney
Date: May 30, 2023

M. P. Shah
Chief Financial Officer

Place: Mumbai
Date: May 30, 2023

A. P. Shah
Company Secretary

Place: Mumbai
Date: May 30, 2023

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

1. Background

Mafatlal Industries Limited (the "Company") is a public limited Company incorporated in India having registered office at Ahmedabad, Gujarat. The shares are listed on the Bombay Stock Exchange. The Company belongs to the reputed industrial house of Arvind Mafatlal Group in India, established in 1905. The Company is engaged in textile manufacturing having its manufacturing unit at Nadiad, Gujarat and trading of textile, technology and its related products. The Company and its subsidiaries, Mafatlal Services Limited and Vrata Tech Solutions Private Limited (upto June 30, 2022) are together referred to as the "Group".

2. Significant accounting policies

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

a. Basis of Preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

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

(iii) New amended standards adopted by the Group

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective from April 01, 2022. These amendments did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

(iv) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards, and are effective from April 01, 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Group's current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Group's accounting policy already complies with the now mandatory treatment.

b. Principles of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

c. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The CODM consists of Chairman and Managing Director who are responsible for allocating resources and assessing performance of the operating segments. Refer Note 45 for segment information presented.

d. Foreign Currency Transactions

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (₹), which is the functional and presentation currency of Mafatlal Industries Limited.

(ii) Transactions and balances

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

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

e. Revenue Recognition

Sale of goods

Revenue is recognized when the control of the goods is transferred to customer, being when the goods are shipped or delivered to the customer and there are no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been shipped or delivered to the specific location as the case may be, the risks of obsolescence and loss has been transferred, and either the customer has accepted the goods in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

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

A receivable is recognized when the goods are shipped or delivered, as per the terms of sales contract as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Sale of services

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

f. Income tax

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

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

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

g. Government grants

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

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

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

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

h. Leases

As a lessee

The Group's lease asset classes primarily consist of leases for Land and Buildings. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

As a lessor

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

i. Property, plant and equipment

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

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

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

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

Depreciation methods, estimated useful lives and residual value

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

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

Asset category	Estimated useful life
Buildings	30 to 60 years
Plant and Machinery	9.5 years
Furniture and Fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers and hardware	3 years

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

Leasehold improvements are amortized over the period of lease or estimated useful lives of such assets, whichever is lower. Period of lease is either the primary lease period or where the Group as a lessee has the right of renewal of lease, and it is intended to renew for further periods, then such extended period.

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

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

Individual assets acquired for less than ₹ 0.05 Lakhs are entirely depreciated in the year of acquisition. The residual values are not more than 5% of the original cost of the asset.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2016 measured under IGAAP as the deemed cost of the property, plant and equipment.

j. Intangible assets

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

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

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

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

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

On transition to Ind AS, the Group has elected to continue with the carrying value of intangible assets recognized as at April 01, 2016 measured under IGAAP as the deemed cost of an intangible asset.

Research and development:

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

k. Investment properties

Land and building that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Group, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Investment property is measured initially at its acquisition cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

The building component of investment properties net of residual value are depreciated using the straight-line method over their estimated useful life of 30 to 60 years from the date of capitalization.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment property recognized as at April 01, 2016 measured under IGAAP as the deemed cost of investment property.

l. Impairment of assets

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

m. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

n. Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognized initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method, less loss allowance.

o. Trade and other payables

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

p. Inventories

Raw materials, packing materials, work-in-progress, finished goods, goods in transit, stock-in-trade, stores and spares other than specific spares for machinery are valued at cost or net realizable value whichever is lower.

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

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

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

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

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

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

An impairment loss is recognized for any initial or

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

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

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

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

r. Investments and other financial assets

(i) Classification

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

- those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss), and
- those measured at amortized cost.

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

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

(ii) Initial recognition and measurement

Regular way purchases and sales of financial assets are recognized on trade-date, being the date on which the Group commits to purchase or sale financial assets. At initial recognition, the Group measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(iii) Subsequent measurement

After initial recognition, financial assets are measured at:

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

Debt instruments

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

- *Measured at amortized cost:*

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

- *Measured at fair value through Other Comprehensive Income (FVOCI):*

  Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognized in the Other

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Comprehensive Income. Interest income measured using the EIR method and impairment losses, if any, are recognized in the Statement of Profit and Loss. On de-recognition, cumulative gain / (loss) previously recognized in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

- *Measured at fair value through profit or loss (FVPL):*

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

Equity instruments

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

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

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

Investments in subsidiary company is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies, associate company and joint venture the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

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

Fair Value hierarchy

The judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements in the Note 37. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as follows:

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

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

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

(iv) *Impairment of financial assets*

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

For trade receivables only, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Note 39 details how the Group determines whether there has been a significant increase in credit risk.

(v) *Derecognition of financial assets*

A financial asset is derecognized only when:

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

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

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

(vi) Income recognition:

- *Interest income*

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

- *Dividends*

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

s. Financial liabilities and equity instruments

(i) Classification as debt or equity

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

(ii) Initial recognition and measurement

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

(iii) Subsequent measurement

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

(iv) Derecognition

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

t. Offsetting financial instruments

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

u. Derivative instruments

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

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

v. Borrowings

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

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the Statement of Profit and Loss as other gains / (losses).

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

w. Borrowing costs

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

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

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

x. Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each reporting period and reflect the best current estimate. Provisions are not recognized for future operating losses.

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

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

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

Contingent assets are not recognized in the financial statements unless it is virtually certain that the future event will confirm the asset's existence and the asset will be realized.

y. Employee benefits

(i) Short-term employee benefits

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

(ii) Other Long-term employee benefits

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) *Post-employment obligations*

Defined Benefits plan

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

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

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

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

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

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

Defined contribution plan

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

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

Share based payments

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

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

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where shares are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognized in relation to such shares are reversed effective from the date of the forfeiture.

z. Earnings per share

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

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

(ii) *Diluted earnings per share*

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

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

aa. Cash flow statement

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

ab. Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

ac. Operating cycle

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

ad. Exceptional Items

Exceptional items include income or expense that are considered to be part of ordinary activities, however, are of such significance and nature that separate disclosure enables the user of the financial statements to understand the impact in a more meaningful manner. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Group.

ae. Rounding of amounts

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

2.1 Critical estimates and judgements

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

The areas involving critical estimates or judgements are:

- Estimation of useful life of property, plant and equipment: Note 2(i) and Note 3(a)
- Loss Allowance on trade receivables: Refer Notes 11 and 39
- Recoverability of deferred tax assets: Refer Note 36
- Estimation of defined benefit obligation: Note 41
- Contingent Liabilities: Note 43

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 3(a) - Property, plant and equipment

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers and harware	Leasehold improvements	Railway sidings	Total
Year ended March 31, 2022										
I. Gross carrying amount										
Opening gross carrying amount	10.47	2,163.06	13,753.36	392.24	202.62	558.42	10.93	149.00	0.13	17,240.23
Additions	-	196.48	136.60	7.56	49.13	11.59	32.01	-	-	433.37
Transfer to assets held for Sale (Refer Note 17)	(0.03)	-	-	-	-	-	-	-	-	(0.03)
Disposals	(5.21)	(708.56)	(594.28)	(124.69)	(18.91)	(28.86)	-	(149.00)	-	(1,629.51)
Closing gross carrying amount	**5.23**	**1,650.98**	**13,295.68**	**275.11**	**232.84**	**541.15**	**42.94**	**-**	**0.13**	**16,044.06**
II. Accumulated depreciation										
Opening accumulated depreciation	-	329.47	5,124.00	164.13	144.27	392.03	0.65	136.17	-	6,290.72
Depreciation charge during the year	-	65.67	1,257.89	36.35	19.08	49.27	8.57	-	-	1,436.83
Disposals	-	(162.93)	(557.39)	(77.56)	(13.94)	(21.44)	-	(136.17)	-	(969.43)
Closing accumulated depreciation	**-**	**232.21**	**5,824.50**	**122.92**	**149.41**	**419.86**	**9.22**	**-**	**-**	**6,758.12**
III. Net carrying amount (I - II)	**5.23**	**1,418.77**	**7,471.18**	**152.19**	**83.43**	**121.29**	**33.72**	**-**	**0.13**	**9,285.94**

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers and harware	Railway sidings	Total
Year ended March 31, 2023									
I. Gross carrying amount									
Opening gross carring amount	5.23	1,650.98	13,295.68	275.11	232.84	541.15	42.94	0.13	16,044.06
Additions	-	377.69	727.80	35.89	273.73	32.17	46.43	-	1,493.71
Disposals	(0.02)	(0.08)	(361.34)	-	(61.88)	-	-	-	(423.32)
Disposals on sale of subsidiary [Refer Note 49(a)]	-	-	-	(0.10)	-	(0.17)	(16.28)	-	(16.55)
Closing gross carrying amount	**5.21**	**2,028.59**	**13,662.14**	**310.90**	**444.69**	**573.15**	**73.09**	**0.13**	**17,097.90**
II. Accumulated depreciation									
Opening accumulated depreciation	-	232.21	5,824.50	122.92	149.41	419.86	9.22	-	6,758.12
Depreciation charge during the year	-	66.89	1,244.48	25.36	33.50	32.42	17.10	-	1,419.75
Disposals	-	(0.01)	(129.96)	-	(48.86)	-	-	-	(178.83)
Disposals on sale of subsidiary [Refer Note 49(a)]	-	-	-	-	-	-	(3.22)	-	(3.22)
Closing accumulated depreciation	**-**	**299.09**	**6,939.02**	**148.28**	**134.05**	**452.28**	**23.10**	**-**	**7,995.82**
III. Net carrying amount (I - II)	**5.21**	**1,729.50**	**6,723.12**	**162.62**	**310.64**	**120.87**	**49.99**	**0.13**	**9,102.08**

Notes:

(i) Refer Note 48(a) for information on property, plant and equipment pledged as security by the Group.

(ii) Refer Notes 21, 26 and 47 for government grants related to property, plant and equipment.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 3(b)- Leases

(i) Right of Use Assets

Particulars	As at March 31, 2023	As at March 31, 2022
I. Gross carrying amount - Building		
Opening gross carrying amount	109.81	-
Additions	84.29	109.81
Disposals on sale of subsidiary [Refer Note 49(a)]	(109.81)	-
Closing gross carrying amount	**84.29**	**109.81**
II. Accumulated depreciation - Building		
Opening accumulated depreciation	7.32	-
Depreciation charge during the year	16.04	7.32
Disposals on sale of subsidiary [Refer Note 49(a)]	(12.81)	-
Closing accumulated depreciation	**10.55**	**7.32**
III. Net carrying amount (I - II)	**73.74**	**102.49**

(ii) Lease Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current	37.27	25.80
Non-current	38.33	79.27
Total	**75.60**	**105.07**

(iii) Amounts recognised in the Consolidated Statement of Profit and Loss

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation of right of use assets - Building (Refer Note 33)	16.04	7.32
Interest expense (included in finance costs) (Refer Note 32)	3.63	-
Expense relating to short-term leases (included in other expenses) (Refer Note 34)	10.73	12.72
Total	**30.40**	**20.04**

(iv) The total cash outflow for leases for the year ended March 31, 2023 was ₹ 42.88 (March 31, 2022 was ₹ 21.12) (including short term lease payments).

Note 4 - Investment Properties

Particulars	As at March 31, 2023	As at March 31, 2022
I. Gross carrying amount		
Opening gross carrying amount	258.91	1,267.37
Additions	15.90	-
Transfer to assets held for sale (Refer Note 17)	(1.03)	-
Disposals	(0.17)	(1,008.46)
Closing gross carrying amount	**273.61**	**258.91**
II. Accumulated depreciation		
Opening accumulated depreciation	23.26	271.96
Depreciation charge during the year	16.75	32.06
Transfer to assets held for sale (Refer Note 17)	(0.28)	-
Disposals	(0.06)	(280.76)
Closing accumulated depreciation	**39.67**	**23.26**
III. Net carrying amount (I - II)	**233.94**	**235.65**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

(i) The investment property consists of buildings and leasehold land.

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

Particulars	As at March 31, 2023	As at March 31, 2022
Income from investment property [Refer note 28(a)]	776.70	770.10
Direct operating expenses towards income from investment property that generated income	(604.26)	(643.81)
Profit from investment properties before depreciation	**172.44**	**126.29**
Depreciation	(16.75)	(32.06)
Profit from investment properties	**155.69**	**94.23**

(iii) Leasing arrangements

(a) Operating leases

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

Particulars	As at March 31, 2023	As at March 31, 2022
Within one year	286.81	247.44
Later than one year but not later than five years	334.08	298.31
Total	**620.89**	**545.75**

(b) Finance leases

Investment properties include land portions taken on lease by the Group for a period upto 99 years with an option to extend the lease by another 99 years on expiry of lease. However, the Group has no specific obligation towards renewal of lease. The Group has considered that such a lease of land transfers substantially all of the risks and rewards incidental to ownership of land, and has thus accounted for the same as finance lease.

(iv) Fair value of investment properties

Particulars	As at March 31, 2023	As at March 31, 2022
Investment properties	7,229.44	10,624.65

Estimation of fair value:

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

(v) The Group is in the process of getting expired lease renewed in respect of the Lower Parel land with gross and net book value of ₹ 0.08 (March 31, 2022: ₹ 0.08).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 5 - Intangible assets

Particulars	As at March 31, 2023	As at March 31, 2022
I. Gross carrying amount		
Opening gross carrying amount	632.87	632.87
Additions	19.93	-
Closing gross carrying amount	**652.80**	**632.87**
II. Accumulated depreciation		
Opening accumulated amortization	**491.59**	**391.29**
Amortization during the year (Refer Note 33)	90.40	100.30
Closing accumulated amortization	**581.99**	**491.59**
III. Net carrying amount (I - II)	**70.81**	**141.28**

Note: The computer softwares are other than internally generated.

Note 6 - Non-current investments

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Investment in equity instruments (fully paid)		
Companies measured at FVOCI		
Quoted		
79,920 (March 31, 2022: 79,920) equity shares of ₹ 10/- each of Stanrose Mafatlal Investments and Finance Limited	63.84	67.18
2,000 (March 31, 2022: 84,300) equity shares of ₹ 10/- each of Mangal Credit & Fincorp Limited	1.99	84.67
NIL (March 31, 2022: 9,600) equity shares of ₹ 2/- each of Ultramarine and Pigments Limited	-	31.19
2,52,59,059 (March 31, 2022: 2,52,59,059) equity shares of ₹ 10/- each of NOCIL Limited $$	52,109.44	63,008.75
NIL (March 31, 2022: 770) equity shares of ₹ 1/- each of Integra Engineering India Limited	-	0.55
NIL (March 31, 2022: 100) equity shares of ₹ 10/- each of Bank of India	-	0.10
Unquoted		
45,000 (March 31, 2022: 45,000) equity shares of ₹ 10/- each of Cama Hotels Limited **	@	@
1,600 (March 31, 2022: 1,600) equity shares of ₹ 10/- each of Hybrid Financial Services Limited $**	@	@
116 (March 31, 2022: 116) equity shares of ₹ 10/- each of Anil Bioplus Limited	@	@
12,40,000 (March 31, 2022: 12,40,000) equity shares of ₹ 10/- each of Mafatlal Global Apparel Limited	@	@
13,350 (March 31, 2022: 13,350) equity shares of ₹ 10/- each of Matcon Export Enterprises Limited	@	@
2,320 (March 31, 2022: 2,320) equity shares of ₹ 10/- each of Anil Limited @@	@	@
100 (March 31, 2022: 100) equity shares of ₹ 10/- each of Arlabs Limited	@	@
15,000 (March 31, 2022: 15,000) equity shares of ₹ 10/- each of Cellulose Products of India Limited ##	@	@
10 (March 31, 2022: 10) equity shares of ₹ 25/- each of Universal Dyestuff Industries Limited @@	@	@
5,870 (March 31, 2022: 5,870) equity shares of ₹ 100/- each of SLM Maneklal Industries Limited **	@	@
30,000 (March 31, 2022: 30,000) equity shares of ₹ 10/- each of Mafatlal Medical Devices Limited @@@	@	@
92,500 (March 31, 2022: 82,500) equity shares of ₹ 100/- each of Janata Sahakari Bank Limited ####	92.50	82.50

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
100 (March 31, 2022: 100) equity shares of ₹ 25/- each of Shamrao Vithal Co-Operative Bank Limited ####	0.03	0.03
5 (March 31, 2022: 5) Shares of ₹ 50/- each of Sea - Face Park Co-op Housing Society Limited	@	@
26,16,670 (March 31, 2022: 26,16,670) equity shares of ₹ 10/- each of Ibiza Industries Limited ***@@	@	@
39,76,002 (March 31, 2022: 39,76,002) equity shares of ₹ 10/- each of Sunanda Industries Limited *@@	@	@
1,46,364 (March 31, 2022: 1,46,364) equity shares of ₹ 100/- each of Mafatlal Engineeering Industries Limited ##	@	@
147 (March 31, 2022: 147) equity shares of AED 1,000/- each of Al Fahim Mafatlal Textiles LLC ##	@	@
17,500 (March 31, 2022: 17,500) equity shares of ₹ 100/- each of The Cosmos Co-Operative Bank Limited ####	17.50	17.50
(B) Investments in Government securities		
Unquoted - at amortized cost		
Government securities [Face value of ₹ 2.89 (March 31, 2022: ₹ 2.89)] have been lodged with various authorities **	2.89	2.89
(C) Investment in debentures and bonds		
Unquoted - at amortized cost		
1,65,000 (March 31, 2022: 1,65,000) 10% Secured Redeemable Convertible Debentures of Mafatlal Engineering Industries Limited ##	@	@
2,050 (March 31, 2022: 2,050) Corporate Bonds of Housing Development Finance Corporation Limited:11% - Series IV #	@	@
Total	**52,288.19**	**63,295.36**

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

$$ 58,81,357 (March 31, 2022: 50,38,358) equity shares pledged with banks. Refer Note 48(a) for Assets pledged.

* Subject to non disposal undertakings given to financial institutions. The Company is currently under liquidation. 4,00,000 equity shares (March 31, 2022: 4,00,000 equity shares) were not available for verification.

** Not available for physical verification.

*** 13,50,000 (March 31, 2022: 13,50,000) equity shares of Ibiza Industries Limited have been pledged for loans / deposit taken by the Company / other companies. Not available for physical verification / confirmation not available; currently under liquidation.

1,050 (March 31,2022: 1,050) nos.- Not available for physical verification.

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

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

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

@@ Under liquidation

@@@ Struck off

Particulars	As at March 31, 2023	As at March 31, 2022
Total Non-current investments		
Aggregate amount of quoted investments and market value thereof	52,175.27	63,192.44
Aggregate amount of unquoted investments	112.92	102.92
Aggregate amount of impairment in the value of investments	-	-
Total	**52,288.19**	**63,295.36**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 7 - Current investments

Particulars	As at March 31, 2023	As at March 31, 2022
Quoted - at FVOCI		
NIL (March 31, 2022: 2,940) equity shares of ₹ 10/- each of Aditya Birla Capital Limited	-	3.15
Total	**-**	**3.15**
Total current investments		
Aggregate amount of quoted investments and market value thereof	-	3.15
Aggregate amount of impairment in the value of investments	-	-
Total	**-**	**3.15**

Note 8 - Non-current - Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered good		
Security deposits	314.76	324.05
Term deposits with remaining maturity period of more than 12 months :		
(i) Deposits held as margin money or security against borrowings, guarantees and other commitments	327.11	440.98
(ii) Other term deposits	52.61	-
Others	0.55	0.55
Total	**695.03**	**765.58**

Note 9 - Non-current - Other assets

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered good		
Capital advances	17.27	-
Deposits with government authorities	53.39	53.39
Unsecured, considered doubtful		
Balances with government authorities	-	0.79
Less: Provision for doubtful balances with government authorities	-	(0.79)
Total	**70.66**	**53.39**

Note 10 - Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	126.26	268.70
Work-in-progress	3,159.19	3,074.82
Finished goods	1,520.72	881.74
Stock-in-trade	3,261.74	1,355.92
Stock-in-trade in transit	2,166.86	1,337.08
Packing Material	66.02	47.18
Stores and spares	322.91	231.57
Others (Land) [Refer Note 52 (ii)]	0.58	0.58
Total	**10,624.28**	**7,197.59**

Amounts recognised in the Consolidated Statement of Profit and Loss:

Inventory write downs / write back are accounted, considering the nature of inventory, ageing and net realisable value. Write-back of inventories amounted to ₹ 14.13 (March 31, 2022: ₹ 191.36), out of which ₹ NIL (March 31, 2022: ₹ 67.46) transferred to exceptional items which is disclosed in the Note 35. Remaining amounts were recognised as an expense / write back during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in the Consolidated Statement of Profit and Loss.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 11(a) - Non-Current Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables (unsecured, considered good)	33.20	33.20
Loss allowance on trade receivables (Refer Note 39)	(33.20)	(33.20)
	-	-

Note 11(b) - Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	30,434.22	26,996.43
Loss allowance on trade receivables (Refer Notes 35 and 39)	(1,845.58)	(1,552.24)
Total	**28,588.64**	**25,444.19**

Break up of security details

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables - Secured	-	-
Trade receivables - Unsecured	29,566.47	26,128.68
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	867.75	867.75
Total	**30,434.22**	**26,996.43**
Loss allowance on trade receivables	(1,845.58)	(1,552.24)
Total	**28,588.64**	**25,444.19**

Ageing of Trade receivables as at March 31, 2023 *

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
(A) Undisputed Trade receivables							
(i) considered good	15,124.92	11,130.95	793.67	597.42	425.74	1,526.97	29,599.67
(ii) which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) credit impaired	-	-	-	-	-	-	-
(B) Disputed Trade Receivables							
(i) considered good	-	-	-	-	-	-	-
(ii) which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) credit impaired	-	-	-	-	-	867.75	867.75
Total	**15,124.92**	**11,130.95**	**793.67**	**597.42**	**425.74**	**2,394.72**	**30,467.42**
Loss allowance on trade receivables							(1,878.78)
Total							**28,588.64**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Ageing of Trade receivables as at March 31, 2022*

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
(A) Undisputed Trade receivables							
(i) considered good	18,190.24	3,872.88	783.43	1,157.23	1,558.31	599.79	26,161.88
(ii) which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) credit impaired	-	-	-	-	-	-	-
(B) Disputed Trade Receivables							
(i) considered good	-	-	-	-	-	-	-
(ii) which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) credit impaired	-	-	-	-	-	867.75	867.75
Total	**18,190.24**	**3,872.88**	**783.43**	**1,157.23**	**1,558.31**	**1,467.54**	**27,029.63**
Loss allowance on trade receivables							(1,585.44)
Total							**25,444.19**

* includes non-current trade receivables [Refer Note 11(a)]

Transferred receivables:

The carrying amounts of the trade receivables include receivables which are subject to a discounting arrangement. Under this arrangement, the Group has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, the Group has retained late payment and credit risk. The Group therefore continues to recognize the transferred assets in their entirety in its Consolidated Balance Sheet. The amount repayable under the discounting is presented as secured borrowing.

The relevant carrying amounts are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Total transferred receivables	-	79.58
Associated secured borrowings (Refer Note 22)	-	(79.58)
Total	**-**	**-**

Refer Note 39 for information about credit risk and market risk for trade receivables.

Note 12 - Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	5.26	5.82
Balances with banks:		
(i) In Current accounts	2,879.45	5,116.80
(ii) In Deposit accounts with original maturity of less than 3 months	2,000.00	246.38
Total	**4,884.71**	**5,369.00**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 13 - Other bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
Term deposits with remaining maturity of less than 12 months:		
(i) Deposits held as margin money or security against borrowings, guarantees and other commitments	1,963.34	2,529.48
(ii) Other term deposits	452.81	1,148.58
In earmarked accounts:		
(i) Unclaimed dividend accounts	13.65	19.84
(ii) Balances in Escrow Current accounts (Refer Note below)	1.87	1.87
Total	**2,431.67**	**3,699.77**

Note:

Balance in Escrow Current account of ₹1.87 (March 31, 2022: ₹1.87) is operated under the supervision of the Monitoring Committee constituted by the Government of Maharashtra, under Development Control Regulations, 1991.

Note 14 - Current loans

Particulars	As at March 31, 2023	As at March 31, 2022
Loans to employees	2.13	0.52
Total	**2.13**	**0.52**

Note: There are no loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties.

Note 15 - Current - Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless othewise stated		
Security deposits		
Considered good	1,954.09	1,460.20
Considered doubtful	263.47	98.78
	2,217.56	1,558.98
Less: Loss allowance on deposits	(263.47)	(98.78)
	1,954.09	1,460.20
Government grant receivable	82.72	82.72
Interest accrued on deposits with banks	5.85	30.58
Other receivables	11.65	2.39
Total	**2,054.31**	**1,575.89**

Note 16 - Current - Other assets

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Prepaid expenses	130.94	86.76
Balances with government authorities	2,013.83	1,855.85
Advance to suppliers	2,082.13	914.85
Others	20.20	14.25
Total	**4,247.10**	**2,871.71**

Note 17 - Assets held for sale

Particulars	As at March 31, 2023	As at March 31, 2022
Assets classified as held for sale		
- Buildings [Refer Note 4]	0.75	-
- Land [includes land transferred from Property Plant and Equipment] - [Refer Note 3(a)]	-	0.13
Total	**0.75**	**0.13**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 18 - Share capital and other equity

18(a) - Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
(i) Authorised				
Equity shares of ₹ 2/- each (March 31, 2022: ₹ 10/- each) with voting rights #	7,12,25,405	1,424.51	1,42,45,081	1,424.51
Increase during the year	27,87,74,595	5,575.49	-	-
Sub-Total	**35,00,00,000**	**7,000.00**	**1,42,45,081**	**1,424.51**
Preference share of ₹ 10/- each	3,00,00,000	3,000.00	-	-
Unclassified Shares of ₹ 10/- each	-	-	8,57,54,919	8,575.49
Total	**38,00,00,000**	**10,000.00**	**10,00,00,000**	**10,000.00**
(ii) Issued				
Equity shares of ₹ 2/- each (March 31, 2022: ₹ 10/- each) with voting rights #	7,05,97,430	**1,411.94**	**1,40,71,386**	**1,407.13**
(iii) Subscribed and fully paid up				
Equity shares of ₹ 2/- each (March 31, 2022: ₹ 10/- each) with voting rights #	7,05,97,430	1,411.94	1,40,71,386	1,407.13
Less: Allotment money/ Calls in arrears	-	(0.06)	-	(0.06)
Total	**7,05,97,430**	**1,411.88**	**1,40,71,386**	**1,407.07**

(1) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year.

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Equity Shares:				
Balance as at the beginning of the year	**1,40,71,386**	**1,407.07**	**1,39,24,386**	**1,392.37**
Add: Sub-division of equity shares during the year #	5,62,85,544	-	-	-
	7,03,56,930	**1,407.07**	**1,39,24,386**	**1,392.37**
Add: Shares issued during the year [see note 5(ii) below]	2,40,500	4.81	1,47,000	14.70
Outstanding at the end of the year	**7,05,97,430**	**1,411.88**	**1,40,71,386**	**1,407.07**

(2) Terms and rights attached to Equity shares:

The Company has issued only one class of equity shares having a par value of ₹ 2/- per share # (March 31, 2022: ₹ 10/- per share). Every holder of equity shares is entitled to one vote per share held. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting except for interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding.

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Equity Shares: #				
H. A. Mafatlal	1,12,06,120	15.87%	26,73,046	19.00%
NOCIL Limited	97,73,475	13.84%	19,54,695	13.89%
Sumil Trading Private Limited	2,70,91,630	38.37%	31,18,326	22.16%
Rekha H. Mafatlal	500	*	13,07,387	9.29%

* % holding below the rounding off norm adopted by the Company.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

(4) Details of shareholding of promoters

Name of the Promoter	As at March 31, 2023			As at March 31, 2022		
	Number of shares	% of total number of shares	% of change during the year	Number of shares	% of total number of shares	% of change during the year
Equity Shares: #						
Rekha H. Mafatlal	500	*	(9.29%)	13,07,387	9.29%	0.11%
H. A. Mafatlal as a Trustee of Gurukripa Trust	500	*	0.00%	100	*	0.00%
H. A. Mafatlal as a Trustee of Karuna Trust	500	*	0.00%	100	*	0.00%
H. A. Mafatlal as a Trustee of Narsingha Trust	500	*	0.00%	100	*	0.00%
Rekha H. Mafatlal as a Trustee of Radha Raman Trust	500	*	0.00%	100	*	0.00%
Aarti M. Chadha	7,45,900	1.06%	0.00%	1,49,180	1.06%	0.01%
H. A. Mafatlal as a Trustee of Shrija Trust	500	*	0.00%	100	*	0.00%
H. A. Mafatlal	1,12,06,120	15.87%	(3.13%)	26,73,046	19.00%	0.20%
Anjali K. Agarwal	8,87,150	1.26%	0.00%	1,77,430	1.26%	0.01%
P.H. Mafatlal	500	*	(3.99%)	5,60,991	3.99%	0.04%
KSJ Trading Private Limited (Earlier known as Gayatri Pestichem Manufacturing Private Limited)	1,11,525	0.16%	0.00%	22,305	0.16%	0.00%
NOCIL Limited	97,73,475	13.84%	(0.05%)	19,54,695	13.89%	0.15%
Sumil Trading Private Limited	2,70,91,630	38.37%	16.21%	31,18,326	22.16%	0.23%
Shri H. A. Mafatlal Public Charitable Trust No. 1	1,20,640	0.17%	0.00%	24,128	0.17%	0.00%
Seth Navinchandra Mafatlal Foundation Trust No. 1	82,530	0.12%	0.00%	16,506	0.12%	0.00%
	5,00,22,470	**70.86%**		**1,00,04,494**	**71.10%**	

* % of total number of shares below the rounding off norm adopted by the Company.

(5) Aggregate number of shares issued for consideration other than cash:

(i) There have been no shares allotted as fully paid up pursuant to contract without payment being received in cash or allotted as fully paid up by way of bonus shares or bought back, for the period of five years immediately preceding the date as at which the Consolidated Balance Sheet is prepared.

(ii) Shares reserved for issue under options:

Information relating to Mafatlal Industries Limited Employee Option Plan, including details of options issued, granted, vested and exercised during the financial year and options outstanding at the end of the reporting period, is set out in Note 38.

(6) Calls unpaid (by other than officers and directors):

Particulars	As at March 31, 2023	As at March 31, 2022
Calls unpaid	0.06	0.06

(7) During 1987-88: 5,35,000 shares (of ₹ 100/- each) were allotted on rights basis subject to the result of suit nos. 3,181 and 3,182 of 1987 filed by three shareholders against the Company and Others in the Ahmedabad City Civil Court. The suits are pending disposal.

The Board of Directors at its meeting held on September 17, 2022, recommended a proposal for sub-division of 1 equity share of the Company having a face value of ₹ 10/- each into 5 equity shares having a face value of ₹ 2/- each. The same was approved by the shareholders of the Company on November 07, 2022 through postal ballot ("e-voting"). The Company had fixed November 25, 2022 as the record date for such sub-division and completed the process of allotment of the new equity shares having face value of ₹ 2/- each on November 25, 2022.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

18(b) - Reserves and surplus

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium	17,744.19	17,699.11
Retained earnings	(19,117.67)	(22,707.59)
General Reserve	620.00	620.00
Capital Reserve No.1	61.16	61.16
Capital Reserve No. 2	35.00	35.00
Capital Reserve on Amalgamation	3,634.48	3,634.48
Capital Redemption Reserve	8,383.14	8,383.14
Capital Investment Reserve	75.96	75.96
Investment Reserve	1.78	1.78
ESOP Reserve	258.71	78.42
Export Profit Reserve	20.00	20.00
Other reserves:		
FVOCI - Equity instruments	48,316.19	59,298.59
Total	**60,032.94**	**67,200.05**

(i) Securities Premium

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

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	17,699.11	17,463.00
Add: Movement during the year	45.08	236.11
Balance at the end of the year	**17,744.19**	**17,699.11**

(ii) Retained earnings

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	(22,707.59)	(25,479.72)
Add: Profit for the year	3,718.00	2,876.30
Add: Adjustment on dilution of Vrata Tech Solutions Private Limited	-	4.50
Less: Other comprehensive income	(234.44)	(108.67)
Add: Transfer of gain on FVOCI Equity Instruments to Retained Earnings	106.36	-
Balance at the end of the year	**(19,117.67)**	**(22,707.59)**

(iii) General Reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	620.00	620.00
Add: Movement during the year	-	-
Balance at the end of the year	**620.00**	**620.00**

(iv) Capital reserve No.1

Capital reserve is to be utilized in accordance with the provisions of the Act.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	61.16	61.16
Add: Movement during the year	-	-
Balance at the end of the year	**61.16**	**61.16**

(v) Capital reserve No. 2

The reserve has arisen out of State Government subsidy received by the Company and is separately maintained as per the provisions of the Act.

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	35.00	35.00
Add: Movement during the year	-	-
Balance at the end of the year	**35.00**	**35.00**

(vi) Capital Reserve on Amalgamation

The said reserve has arisen out of amalgamation with 'Mafatlal Denim Limited'

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	3,634.48	3,634.48
Add: Movement during the year	-	-
Balance at the end of the year	**3,634.48**	**3,634.48**

(vii) Capital redemption reserve

It represents reserve created during buy back of equity shares, preference shares and it is a non-distributable reserve.

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	8,383.14	8,383.14
Add: Movement during the year	-	-
Balance at the end of the year	**8,383.14**	**8,383.14**

(viii) Capital Investment Reserve

The said reserve has arisen out of excess of non taxable sales proceeds over the book values.

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	75.96	75.96
Add: Movement during the year	-	-
Balance at the end of the year	**75.96**	**75.96**

(ix) Investment Reserve

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

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	1.78	1.78
Add: Movement during the year	-	-
Balance at the end of the year	**1.78**	**1.78**

(x) ESOP Reserve

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	78.42	93.35
Add: Employee share-based payment expense (Refer Note 38)	192.35	47.60
Less: Employee share options exercised during the year	(12.06)	(62.53)
Balance at the end of the year	**258.71**	**78.42**

(xi) Export Profit Reserve

The said reserve has arisen due to amalgmation with the Mafatlal Fine Spinning and Manufacturing Co. Limited

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	20.00	20.00
Add: Movement during the year	-	-
Balance at the end of the year	**20.00**	**20.00**

(xii) FVOCI - Equity instruments

The Group fair values certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve.

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	59,298.59	40,348.05
Add: Change in fair value of FVOCI equity instruments	(10,876.04)	18,950.54
Less: Transfer of gain on FVOCI equity instruments to Retained Earnings	(106.36)	-
Balance at the end of the year	**48,316.19**	**59,298.59**

Also refer Note 49(b).

Note 19 - Non- current borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Term Loans		
(a) From Banks [Refer Note no.(i), (ii), (iii) and (iv) below]	2,346.75	3,987.09
(b) For vehicle loans [Refer Note no.(v) below]	143.98	27.21
(c) From financial institutions [Refer Note no.(vi) and (vii) below]	123.94	371.81
Total	**2,614.67**	**4,386.11**

(i)	Term loan from consortium of two Banks, aggregating to ₹ 2,292.16 (March 31, 2022: ₹ 2,897.43) is secured by mortgage on pari passu basis of an immovable asset (building) measuring 1,362.89 sq. mtrs. (March 31, 2022: 2,072.20 sq. mtrs.) of Mafatlal House at Mumbai.	Repayable in 60 monthly installments begining from April 2022 till March 2026. The rate of interest for the year was @ 11.50% p.a. (March 31, 2022: 11.50% p.a.).
(ii)	Term loan from a Bank, amounting to ₹ 1,489.96 (March 31, 2022: ₹ 1,481.89) is secured by mortgage of an immovable asset (buildings) measuring 273.60 sq. mtrs. of Mafatlal House at Mumbai and 178.56 sq. mtrs. of Ahmedabad office and pledge over 12,38,500 (March 31, 2022: 13,34,296) shares of NOCIL Limited.	Repayable in 8 quarterly installments begining from June 2023 till March 2025. The rate of interest for the year was @ 10.80% p.a. (March 31, 2022: 10.80% p.a. to 11.00% p.a).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

(iii) Term loan from a Bank, amounting to ₹ NIL (March 31, 2022: ₹ 139.26) is secured by mortgage of an immovable asset (land and building) at Nadiad and exclusive first charge on property, plant and equipment acquired out of the said loan from Bank at Nadiad Plant and second charge on certain stock and book debts of the Company.	The term loan was repaid in August 2022. The rate of interest for the year was @ 12.25 % p.a. (March 31, 2022: 12.25 % p.a.).
(iv) Term loan from a Bank, amounting to ₹ NIL (March 31, 2022: ₹ 538.17) is secured by rental receivables of specific floors of Mafatlal House and partial area of Mafatlal Centre from lessees.	The term loan was repaid in September 2022. The rate of interest for the year was 10.50% p.a. (March 31, 2022: 10.50% p.a.).
(v) Loans from a Bank, amounting to ₹ 179.38 (March 31, 2022: ₹ 38.61) for vehicles is secured by hypothecation of respective vehicles.	Repayable in monthly installments and the rate of interest for the year was in the range of 7.00 % p.a. to 8.40 % p.a. (March 31, 2022: 7.00% p.a. to 10.00% p.a).
(vi) Term loan from a financial institution, amounting to ₹ NIL (March 31, 2022: ₹ 88.17) is secured by mortgage of an immovable asset (land and building) at Nadiad and exclusive first charge on property, plant and equipment acquired out of the said loan from Financial institution at Nadiad Plant.	The term loan was repaid in September 2022. The rate of interest for the year was in the range of 10.20 % p.a. to 10.55 % p.a. (March 31, 2022: 10.55 % p.a. to 11.10 % p.a.).
(vii) Term loan from a financial institution, amounting to ₹ 371.82 (March 31, 2022: ₹ 619.68) is secured by charge on movable property, plant and equipment acquired out of said loan, charge by way of mortgage over immovable assets (land and building) measuring NIL sq. mtrs. (March 31, 2022: 253.81 sq. mtrs.) of Mafatlal House at Mumbai, pledge over NIL (March 31, 2022: 4,91,062) equity shares of NOCIL Limited, and pledge by promoters / promoter companies of certain shareholding in the Company and a lien on term deposit. (Also Refer Note 8)	Repayable in 20 quarterly installments begining from June 2019 till September 2024 after a moratorium period of 18 months. The rate of interest for the year was in the range of 10.20 % p.a. to 10.50 % p.a. (March 31, 2022: 10.35 % p.a. to 10.90 % p.a.).

The amounts mentioned include installments falling due within a year aggregating to ₹ 1,718.65 (March 31, 2022: ₹ 1,417.10) have been grouped under "Current Borrowings" [Refer Note 22].

For Liquidity risk information, refer Note 39.

Note 20 - Non-current - Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Trade / Security deposits	393.23	353.75
Other Advances *	1,296.60	1,296.60
Interest accrued and not due on others [Refer Note 52(i)]	283.82	283.82
Total	**1,973.65**	**1,934.17**

* Out of the above, other advances for ₹ 577.89 (March 31, 2022: ₹ 577.89), refer note 52(i).

Note 21 - Non-current - Other liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Income on Government Grant (Refer Note 47)	95.63	141.13
Total	**95.63**	**141.13**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 22 - Current borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
From Banks		
Working Capital loans*	1,488.14	2,904.98
Current loans against properties **	3,533.23	2,190.17
Factored receivables [Refer Note 11(b)]	-	79.58
Current maturities of long-term debt (Refer Note 19)		
(i) From Banks	1,435.37	1,070.80
(ii) For vehicle loans	35.40	11.41
(iii) From financial institutions	247.88	334.89
Interest accrued but not due on borrowings	5.42	24.31
Unsecured		
Inter Company Deposits #	-	200.00
Total	**6,745.44**	**6,816.14**

* Working Capital loans are secured by first and second charge on certain stocks and book debts, both present and future, of the Company, charge on certain property, plant and equipment of the Company, pledge of 46,42,857 (March 31, 2022: 32,13,000) equity shares of NOCIL Limited held by the Company and pledge by promoters / promoter companies of certain shareholding in the Company. The working capital loans are repayable on demand and carry an interest in the range of 9.00% p.a. to 13.45% p.a. (March 31, 2022: 10.25% p.a. to 12.25% p.a.).

** Current loans against properties are secured by pari passu charge on Land and Building of the Company at Nadiad. Current loans against property are repayable on demand and carry an interest in the range of 11.00% p.a. to 13.45% p.a. (March 31, 2022: 10.25% p.a. to 12.25% p.a.).

Represents Inter Company Deposits repaid in March 2023. The rate of interest for the year was 12.00% p.a. (March 31, 2022: 12.00% p.a.).

For Liquidity risk information, refer Note 39.

Refer Note 48(b) for net debt reconciliation.

Note 23 - Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	1,331.55	1,026.73
Total outstanding dues of creditors other than micro enterprises and small enterprises	35,727.06	33,201.99
Trade Payables to related parties (Refer Note 42)	18.14	459.95
Total	**37,076.75**	**34,688.67**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Ageing of Trade Payables as at March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(A) Undisputed trade payables							
(i) Micro enterprises and Small enterprises	319.94	363.65	647.96	-	-	-	1,331.55
(ii) Others	3,309.96	13,510.00	16,174.39	875.41	976.21	899.23	35,745.20
(B) Disputed trade payables							
(i) Micro enterprises and Small enterprises	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
Total	**3,629.90**	**13,873.65**	**16,822.35**	**875.41**	**976.21**	**899.23**	**37,076.75**

Ageing of Trade Payables as at March 31, 2022

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(A) Undisputed trade payables							
(i) Micro enterprises and Small enterprises	153.75	253.03	400.26	219.55	-	0.14	1,026.73
(ii) Others	2,746.72	13,565.43	14,107.40	1,654.21	1,461.92	126.26	33,661.94
(B) Disputed trade payables							
(i) Micro enterprises and Small enterprises	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
Total	**2,900.47**	**13,818.46**	**14,507.66**	**1,873.76**	**1,461.92**	**126.40**	**34,688.67**

Note: For Liquidity risk information, Refer Note 39.

Dues to Micro and Small Enterprises:-

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,011.61	872.98
Interest due thereon to suppliers registered under the MSMED Act and remaining unpaid as at year end	31.19	16.17
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	2,177.97	907.52
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Interest accrued and remaining unpaid at the end of each accounting year (not due)	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	288.75	137.58

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 24 - Current - Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Unclaimed dividends*	13.65	19.84
Book Overdraft	-	1,057.56
Trade Deposits	3,028.06	1,332.76
Total	**3,041.71**	**2,410.16**

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

Note 25 - Current provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits:		
(i) Provision for Compensated absences (Refer Note 41)	433.69	352.21
(ii) Provision for Gratuity (Refer Note 41)	833.29	898.46
Other Provisions		
(i) Provision for Fringe Benefit Tax [net of advance tax ₹ 39.05 (As at March 31, 2022: ₹ 39.05)]	0.40	0.40
(ii) Provision for Wealth Tax (net)	0.11	0.11
Total	**1,267.49**	**1,251.18**

Note 26 - Current - Other liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Payment towards Statutory liabilities	249.68	215.90
Advance from customers [Refer Note 26(a)]	2,318.80	603.11
Employee Benefits Payable	415.55	381.46
Deferred Income on Government Grant (Refer Note 47)	73.73	130.18
Others	56.04	57.23
Total	**3,113.80**	**1,387.88**

Note 26(a) - Revenue recognised in relation to advance from customers

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue recognised that was included in advance from customers at the beginning of the period	467.53	521.76

Note 27 - Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers		
Sale of Products	1,34,641.95	97,400.75
Sale of Services	2,034.92	2,393.81
Total Revenue from Contract with Customers (A)	**1,36,676.87**	**99,794.56**
Other operating revenue		
Income from waste / scrap sale	162.85	237.69
Processing income	210.04	105.54
Duty drawback and other export incentives	121.27	169.50
Total other operating revenue (B)	**494.16**	**512.73**
Total Income [(A) + (B)]	**1,37,171.03**	**1,00,307.29**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

(i) There are no unsatisfied performance obligations resulting from Revenue from long-term contracts with customers as at March 31, 2023 and March 31, 2022.

(ii) Reconciliation of revenue recognised with contract price:

Contract price	1,37,494.44	1,00,250.19
Adjustments for:		
Discounts and rebates	(817.57)	(455.63)
Revenue from contact with customers	**1,36,676.87**	**99,794.56**

(iii) Disaggregation of revenue from contracts with customers:

The Group derives revenue from the transfer of goods and services in the following geographical regions:

India	1,32,980.97	95,910.12
Asia (Excluding India)	3,444.56	3,702.66
Others	251.34	181.78
Total	**1,36,676.87**	**99,794.56**

The Group derives revenue from the transfer of following goods and services:

Textile and related products	1,30,129.93	97,400.75
Technology and related products	4,512.02	-
Sale of products (a)	**1,34,641.95**	**97,400.75**
Sale of services (b)	**2,034.92**	**2,393.81**
Total Revenue from contract with customers [(a)+(b)]	**1,36,676.87**	**99,794.56**

Note 28(a) - Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on:		
Financial assets at amortized cost	182.26	185.82
Income tax refund	162.73	-
Others	22.82	-
Rental income from investment properties	311.76	359.03
Utility / business service / air-conditioning charges and other receipts in respect of investment properties	464.94	411.07
Dividend income from equity investments designated at fair value through other comprehensive income	758.90	511.22
Apportioned income from Government grants #	101.95	130.18
Liabilities / provisions no longer required written back	104.26	42.80
Miscellaneous income	97.43	67.19
Total	**2,207.05**	**1,707.31**

Government grants have been received for investment in certain items of property, plant and equipment. There are no unfulfilled conditions or other contingencies attaching to these grants as at March 31, 2023 (Refer Note 47).

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net gain on disposal of property, plant and equipment and investment properties [Refer Notes 3(a) and 4]	1,849.81	4,692.45
Net gain on sale of subsidiary [Refer Note 49(a)]	371.62	-
Net foreign exchange differences	91.17	36.23
Total	**2,312.60**	**4,728.68**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 29 - Cost of materials consumed

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Raw and packing materials at the beginning of the year	315.88	11.36
Add: Purchases	19,933.90	17,855.45
Less: Raw and packing material at the end of the year	192.28	315.88
Total cost of materials consumed	**20,057.50**	**17,550.93**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the end of the year		
Finished goods	1,520.72	881.74
Work-in-progress	3,159.19	3,074.82
Stock-in-trade (Traded goods)	5,428.60	2,693.00
Inventories at the beginning of the year		
Finished goods	881.74	640.46
Work-in-progress	3,074.82	904.32
Stock-in-trade (Traded goods)	2,693.00	778.48
	(3,458.95)	**(4,326.30)**
Less: Transfer to exceptional items (Refer Note 35)	-	(67.46)
Less: Disposal on sale of subsidiary	(29.94)	-
Total	**(3,488.89)**	**(4,393.76)**

Note 31 - Employee Benefits expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages, bonus, etc.	4,318.46	3,709.03
Contributions to provident and other funds [Refer Note 41(ii)(a)]	396.67	319.75
Gratuity expense (Refer Note 41)	154.81	303.94
Staff welfare expenses	253.74	78.78
Employee share-based payment expense (Refer Note 38)	192.35	47.60
Total	**5,316.03**	**4,459.10**

Note 32 - Finance costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on:		
Borrowings	1,204.63	1,424.77
Trade payables	281.05	280.71
Lease Liabilities	3.63	3.66
Others	282.49	153.91
Total	**1,771.80**	**1,863.05**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 33 - Depreciation and amortization expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment [Refer Note 3(a)]	1,419.75	1,436.83
Depreciation of right-of-use assets [Refer Note 3(b)]	16.04	7.32
Depreciation on investment properties (Refer Note 4)	16.75	32.06
Amortization on intangible assets (Refer Note 5)	90.40	100.30
Total	**1,542.94**	**1,576.51**

Note 34 - Other expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spare parts	3,670.72	2,669.41
Processing charges	1,093.93	513.70
Power and fuel	5,338.60	3,631.39
Repairs and maintenance		
Buildings	175.37	148.94
Machinery	274.54	100.34
Others	258.81	277.48
Insurance (net)	59.71	55.18
Lease rent*	10.73	9.06
Sales commission	2,064.84	1,227.58
Rates and taxes	326.06	255.08
Sub-contracting charges	3,673.99	2,686.61
Transport and freight charges (net)	1,406.83	1,141.15
Donations and Charities	0.10	0.33
Bad Debts written off	140.98	261.57
Less: Allowances there against	(140.98)	(261.57)
Loss allowance on trade receivables / (written back)	434.32	(130.71)
Advances written off	26.77	40.10
Loss allowance on deposits	164.69	98.79
Legal and professional fees	875.76	912.68
Payments to auditors [Refer Note 34(a)]	49.80	40.35
Directors' fees [Refer Note 42]	66.50	65.10
Miscellaneous expenses	1,730.49	1,541.65
Total	**21,702.56**	**15,284.21**

* Lease rent expense pertains to short-term leases.

Note 34(a) - Details of payment to auditors

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Payment to the auditors		
As auditor:		
Statutory audit fees	31.50	28.50
Limited reviews	12.00	10.50
Certifications fees	5.50	1.00
Re-imbursement of expenses	0.80	0.35
Total	**49.80**	**40.35**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 35 - Exceptional Items

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
(a)	Employee severance cost comprising voluntary retirement scheme at Nadiad and Navsari [Refer note (i) and (ii) below]	53.57	114.30
(b)	Impact due to Covid-19 - Write-down of current assets (includes inventories and select receivables) [Refer note (iii) below and Notes 10 and 11]	-	902.42
Total		**53.57**	**1,016.72**

Note (i): During the financial year ended March 31, 2021, the Group had entered into a Memorandum of Understanding (MOU) with Workers' Union at its Nadiad location to reduce its workforce and accordingly recognised expenses towards compensation payable as full and final settlement to its workers who accepted the offer and disclosed the same as an exceptional item. The aforesaid MOU has been terminated in the previous year and therefore there is no further compensation payable under the said MOU.

Note (ii): The Group during the current year has recognised ₹ 53.57 as expense towards compensation payable as full and final settlement to its certain workers at Navsari location, which has been disclosed as an exceptional item.

Note (iii): The Group had estimated and recognised an impairment loss against carrying value of receivables and inventories in the previous year, owing to Covid-19 related uncertainties and disclosed the same under exceptional item during the previous year.

NOTE 36 - TAXATION

36(a) - Tax expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax	25.168%	34.944%
Current tax on Profits for the year	-	-
Total current tax	**-**	**-**
Deferred tax		
Decrease in deferred tax assets	(926.59)	(378.31)
Decrease in deferred tax liabilities	647.13	93.05
Total deferred tax	**(279.46)**	**(285.26)**
Total Tax expense	**(279.46)**	**(285.26)**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit for the year	3,986.24	3,150.83
Statutory income tax rate applicable to Mafatlal Industries Limited	25.168%	34.944%
Tax expense at applicable tax rate	**1,003.26**	**1,101.03**
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income:		
Permanent difference on sale of property, plant and equipment, investments and investment properties	409.73	1,197.10
Differential tax rate in respect of capital gains	-	147.50
Unrecognized deferred tax for tax losses and other temporary differences	(88.63)	(415.84)
Expenses not deductible for tax purposes	(37.67)	(47.89)
Income for the year set off against brought forward losses	674.40	(60.63)
Differential tax rate due to opting for new regime	(217.53)	-
Others	(16.50)	(4.47)
Income tax expense as per the Consolidated Statement of Profit and Loss	**(279.46)**	**(285.26)**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

36(c) - The Taxation Laws (Amendment) Ordinance, 2019 ('ordinance') introduced section 115BAA of the Income-tax Act, 1961 which allowed domestic Companies to opt for an alternative tax regime from financial year 2019-20. As per the said tax regime, Companies are allowed to pay reduced income tax @ 22% (plus surcharge and cess) subject to foregoing of certain exemptions / deductions which were allowed earlier. Pursuant to the aforesaid amendment, the Group, has opted for lower rate of tax with effect from financial year ended March 31, 2023. Further, the Group has restated the deferred tax assets and liabilities as on April 01, 2022 at the rate of 25.168%. Accordingly the Group has also reduced the effect of such exemptions/deductions from accumulated losses and have forgone the Minimum Alternate Tax ('MAT') credit available earlier as a condition precedent for opting for alternative tax regime under the aforesaid mentioned section of the Income Tax Act, 1961.

36(d) - No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognized in Equity and not in Consolidated Statement of Profit and Loss or Other comprehensive income.

36(e) - Deferred tax assets

The balance comprises temporary differences attributable to:

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Deferred tax asset		
Loss allowance on trade receivables and deposits (net)	530.80	576.94
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	739.17	1,405.44
Unabsorbed depreciation	238.79	463.15
Right-of-use of assets and lease liabilities	0.47	-
Total deferred tax assets	**1,509.23**	**2,445.53**
Deferred tax liability		
Property, plant and equipment and intangible assets	(1,011.12)	(1,658.08)
Net deferred tax assets	**498.11**	**787.45**

Movement in deferred tax assets / (liabilities)

Particulars	**As at March 31, 2021**	**(Charged)/ Credited to profit and loss**	**Charged/ (credited) to OCI**	**Adjustment on account of sale of subsidiary**	**As at March 31, 2022**
Year ended March 31, 2022					
Loss allowance on trade receivables and deposits (net)	399.32	177.62	-	-	576.94
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	1,454.18	(48.74)	-	-	1,405.44
Unabsorbed depreciation	970.34	(507.19)	-	-	463.15
Property, plant and equipment and intangible assets	(1,751.13)	93.05	-	-	(1,658.08)
Total deferred tax assets	**1,072.71**	**(285.26)**	**-**	**-**	**787.45**

Particulars	**As at March 31, 2022**	**(Charged)/ Credited to profit and loss**	**Charged/ (credited) to OCI**	**Adjustment on account of sale of subsidiary**	**As at March 31, 2023**
Year ended March 31, 2023					
Loss allowance on trade receivables and deposits (net)	576.94	(46.14)	-	-	530.80
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	1,405.44	(656.09)	-	(10.18)	739.17
Unabsorbed depreciation	463.15	(224.36)	-	-	238.79
Right-of-use of assets and lease liabilities	-	0.47	-	-	0.47
Property, plant and equipment and intangible assets	(1,658.08)	646.66	-	0.30	(1,011.12)
Total deferred tax assets	**787.45**	**(279.46)**	**-**	**(9.88)**	**498.11**

The Group has recognized the deferred tax asset on unabsorbed depreciation of earlier years, loss allowance on trade receivables and deposits and disallowances under Section 35DDA, 40(a)(i) and 43B of the Income Tax Act, 1961. The Group has concluded

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

that the deferred tax assets will be recoverable partially compensated by decrease in deferred tax liabilities and excess will be recovered using estimated future taxable income. Further, unabsorbed depreciation can be carried forward for infinite period as per tax regulations.

36(f) - Tax losses

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

Particulars		As at March 31, 2023	As at March 31, 2022
Unabsorbed brought forward depreciation / business losses		30,429.97	37,323.04
Potential tax benefit @ 25.168% (March 31, 2022: 34.944%)	(a)	7,658.61	13,042.16
Minimum Alternate Tax [Refer Note 36(c)]	(b)	-	2,702.53
Total Potential tax benefit	**[(a)+(b)]**	**7,658.61**	**15,744.69**

36(g) - Unrecognized temporary differences

The Group has not recognized deferred tax asset / (liability) associated with fair value gains on equity instruments measured at FVOCI as based on the management projection of future taxable income and existing plan, it is not probable that such difference will reverse in the foreseeable future.

36(h) - Non-current tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current tax assets [Net of provision of tax ₹ 12,843.20 (March 31, 2022: ₹ 12,353.35)]	1,620.84	1,510.44

36(i) - Current tax liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax liabilities [Net of advance tax ₹ NIL (March 31, 2022: ₹ 469.26)]	-	20.59

Note 37 - Fair value measurements

(i) Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Fair value of cash and bank balances, trade receivables, current loans, trade payables, current borrowings and other current financial assets and liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
- Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.
- The interest rate on term deposits is at the prevailing market rates. Accordingly, fair value of such instrument is not materially different from their carrying amounts.
- The interest rate on borrowing is at the prevailing market rates. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

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

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

Financial instruments by category

Particulars	As at March 31, 2023			As at March 31, 2022		
	FVPL	FVOCI	Amortized cost	FVPL	FVOCI	Amortized cost
Financial assets						
Investments						
- Equity instruments other than subsidiary	-	52,175.27	110.03	-	63,195.59	100.03
- Government securities	-	-	2.89	-	-	2.89
Cash and bank balances	-	-	7,316.38	-	-	9,068.77
Loans	-	-	2.13	-	-	0.52
Other financial assets	-	-	2,749.34	-	-	2,341.47
Trade receivables	-	-	28,588.64	-	-	25,444.19
Total financial assets	**-**	**52,175.27**	**38,769.41**	**-**	**63,195.59**	**36,957.87**
Financial liabilities						
Borrowings	-	-	9,360.11	-	-	12,259.81
Trade payables	-	-	37,076.75	-	-	34,688.67
Other financial liabilities	-	-	5,015.36	-	-	3,286.77
Lease liabilities	-	-	75.60	-	-	105.07
Total financial liabilities	**-**	**-**	**51,527.82**	**-**	**-**	**50,340.32**

Financial Asset and Liabilities measured at Fair Value - recurring fair value measurements - Level 1

Particulars	As at March 31, 2023	As at March 31, 2022
Quoted equity investments measured at fair value	52,175.27	63,195.59

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(All amounts in ₹ Lakhs, unless otherwise stated)

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Investments in Government securities	2.89	2.89	2.89	2.89
Investments in unquoted equity instruments	110.03	110.03	100.03	100.03
Security deposits	314.76	314.76	324.05	324.05
Bank deposits with more than 12 months maturity	379.72	379.72	440.98	440.98
Others	0.55	0.55	0.55	0.55
Financial liabilities				
Borrowings	2,614.67	2,614.67	4,386.11	4,386.11
Trade / Security deposits received	393.23	393.23	353.75	353.75
Other financial liabilities (excluding trade / security deposits)	1,580.42	1,580.42	1,580.42	1,580.42

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for quoted shares and mutual funds.
- the fair value of the other unquoted equity investments is mainly pertaining to investments in co-operative banks which are carried at amortized cost and the carrying amounts are equal to the fair values.

Note 38 - Share Based Payments

(a) Employee option plan

(i) The Mafatlal Employee Stock Option Scheme 2017 ('ESOS 2017') of Mafatlal Industries Limited was approved by the Board of Directors of the Company at their meeting held on May 05, 2017 and finalised on August 10, 2017. At the Annual General Meeting held on August 02, 2017, the shareholders approved the creation of employee stock option pool of 6,95,000 equity shares of face value of ₹ 10/- each fully paid up (before giving effect of sub-division) on such terms and such manner as the Board may decide in accordance with the provisions of applicable law and ESOS 2017.

The Company has implemented ESOS 2017 with a view to attract and retain key talents working with the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The Nomination and Remuneration Committee ('NRC') administers ESOS 2017.

(ii) During the financial year 2017-18, the NRC in its meeting held on November 10, 2017 has granted 1,38,000 options (before giving effect of sub-division) with a progressive vesting to certain senior management employees under the ESOS 2017 and the vesting of options will be @15% on 1st anniversary, 20% on 2nd anniversary, 30% on 3rd anniversary and remaining 35% on 4th anniversary of the grant date. Once vested, the options remain excerisable for a period of four years.

(iii) During the financial year 2019-20, the NRC in its meeting held on August 01, 2019 has granted 3,18,000 options (before giving effect of sub-division) to certain management cadre employees of the Company under the ESOS 2017. The options granted vest after completion of one year from the date of grant i.e. August 01, 2020 and the vested options are excercisable for a period of four years after vesting.

(iv) During the current year, the NRC in its meeting held on May 28, 2022 has granted 3,20,000 options (before giving effect of sub-division) to certain management cadre employees of the Company under the ESOS 2017. The options granted vest after completion of one year from the date of grant i.e. May 28, 2023 and the vested options are excercisable for a period of four years after vesting.

(v) Options are granted under the plan for no consideration and carry no dividend or voting rights until they are exercised. When exercisable, each option is convertible into one equity share. The exercise price of the options is fair market price of the share as on date of grant of options.

(vi) The options granted and number of shares mentioned are proportionately increased in accordance with sub-division of equity shares effective from November 25, 2022. Disclosures for March 31, 2023 and March 31, 2022 have been made after giving effect to the sub-division of equity shares. [Refer Note 18(a)#].

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(b) Set out below is a summary of options granted under the plan:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Exercise price (see note below) (in ₹)	Number of options [see note (a)(vi) above]	Exercise price (see note below) (in ₹)	Number of options [see note (a)(vi) above]
Opening Balance				
Options granted on November 10, 2017	64.54	1,90,000	64.54	2,40,000
Options granted on August 01, 2019	15.73	2,87,500	15.73	10,22,500
Granted during the year				
Options granted on May 28, 2022	36.20	16,00,000	-	-
Excercised during the year				
Options granted on August 01, 2019	15.73	2,40,500	15.73	7,35,000
Forfeited during the year				
Options granted on November 10, 2017	64.54	-	64.54	50,000
Options granted on May 28, 2022	36.20	75,000	15.73	-
Expired during the year				
Options granted on November 10, 2017	64.54	28,500	-	-
Closing Balance				
Options granted on November 10, 2017	64.54	**1,61,500**	64.54	**1,90,000**
Options granted on August 01, 2019	15.73	**47,000**	15.73	**2,87,500**
Options granted on May 28, 2022	36.20	**15,25,000**	-	**-**
Vested and exercisable		2,08,500		4,77,500

Note: The earlier exercise price of the options granted on November 10, 2017, August 01, 2019 and May 28, 2022 were ₹ 322.70 per option, ₹ 78.65 per option and ₹ 181.00 per option respectively. The exercise price of these options has been reduced [See note (a)(vi) above].

(c) The weighted average share price at the dates of exercise of the options exercised during the year ended March 31, 2023 was ₹ 52.58 (March 31, 2022 – ₹ 35.48).

(d) Share options outstanding at the end of the year have the following expiry dates and exercise prices

Grant Date	Vesting Date	Expiry Date	Exercise price [see note (a)(vi) above] (in ₹)	Share options March 31, 2023	Share options March 31, 2022	Fair value of options at grant date [see note (a)(vi) above] (in ₹)
November 10, 2017	November 10, 2018	November 10, 2022	64.54	-	28,500	21.78
November 10, 2017	November 10, 2019	November 10, 2023	64.54	38,000	38,000	25.34
November 10, 2017	November 10, 2020	November 10, 2024	64.54	57,000	57,000	29.24
November 10, 2017	November 10, 2021	November 10, 2025	64.54	66,500	66,500	31.24
August 01, 2019	August 01, 2020	August 01, 2024	15.73	47,000	2,87,500	5.02
May 28, 2022	May 28, 2023	May 28, 2027	36.20	15,25,000	-	13.76
Total				**17,33,500**	**4,77,500**	

Weighted average remaining contractual life of options outstanding at end of period	3.86 years	2.39 years

(e) Fair Value of options granted

The weighted average fair value at grant date (May 28, 2022) of options granted during the current year was ₹ 13.76 per option. The weighted average fair value at grant date (November 10, 2017) of options granted during the year ended March 31, 2018 was ₹ 28.04 per option and the weighted average fair value at grant date (August 01, 2019) of options granted during the year ended March 31, 2020 was ₹ 5.02 per option [see note (a)(vi) above].

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The model inputs for options granted on November 10, 2017 included [see note (a)(vi) above]

(a) options are granted for no consideration and vest upon completion of service for a period of 1-4 years. Vested options are excercisable for a period of four years after vesting.

(b) exercise price: ₹ 64.54 per option

(c) grant date: November 10, 2017

(d) expiry date: November 10, 2022 - November 10, 2025

(e) share price at grant date: ₹ 62.82 per share

(f) expected price volatility of the Company's shares: 48.32%-51.99%

(g) expected dividend yield: 1.69%

(h) risk free interest rate: 6.51% - 6.91%

The expected price volatility is based on the historic volatility (based on the remaining life of the options) adjusted for any expected changes to future volatility due to publicly available information.

The model inputs for options granted on August 01, 2019 included [see note (a)(vi) above]

(a) options are granted for no consideration and vest upon completion of service for a period of one year. Vested options are excercisable for a period of four years after vesting.

(b) exercise price: ₹ 15.73 per option

(c) grant date: August 01, 2019

(d) expiry date: August 01, 2024

(e) share price at grant date: ₹ 15.73 per share

(f) expected price volatility of the Company's shares: 42.29%

(g) expected dividend yield: 0%

(h) risk free interest rate: 5.97%

The expected price volatility is based on the historic volatility (based on the remaining life of the options) adjusted for any expected changes to future volatility due to publicly available information.

. **The model inputs for options granted on May 28, 2022 included [see note (a)(vi) above]**

(a) options are granted for no consideration and vest upon completion of service for a period of one year. Vested options are excercisable for a period of four years after vesting.

(b) exercise price: ₹ 36.20 per option

(c) grant date: May 28, 2022

(d) expiry date: May 28, 2027

(e) share price at grant date: ₹ 36.20 per share

(f) expected price volatility of the Company's shares: 4.14%

(g) expected dividend yield: 0%

(h) risk free interest rate: 7.35%

The expected price volatility is based on the historic volatility (based on the remaining life of the options) adjusted for any expected changes to future volatility due to publicly available information.

(f) Expenses arising from share based payment transactions

Total expenses arising from share based payment transactions recognized in the Consolidated Statement of Profit and Loss as part of employee benefits expense:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Employee share-based payment expense (Refer Note 31)	192.35	47.60

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Note 39 - Financial risk management

The Group's business activities exposes it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Group's senior management and key management personnel have the ultimate responsibility for managing these risks. The Group has a mechanism to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's senior management and key management personnel are supported by the finance team and respective business divisions that provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The activities are designed to protect the Group's financial results and position from financial risks; and maintain market risks within acceptable parameters, while optimising returns.

(A) Management of liquidity risk

The principal sources of liquidity of the Group are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Group believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. The Group is cognizant of reputational risk that are associated with the liquidity risk and such risk is factored into the overall business strategy. Due to the dynamic nature of the underlying businesses, finance department maintains flexibility in funding by having availability under commited credit lines.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2023	As at March 31, 2022
Expiring within one year (Current Borrowing facilities)	4,479.24	3,604.85
Expiring beyond one year	-	-

The bank loan facilities may be drawn at any time and the banks can also recall the facilities basis the breach of applicable covenants.

(ii) Maturity pattern of financial liabilities

The following table shows the maturity analysis of financial liabilities of the Group based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

As at March 31, 2023	Less than 12 months	1 year to 3 years	More than 3 years
Non current borrowings (including current maturity of long term debt)	1,975.52	2,818.44	67.24
Current borrowings*	5,021.37	-	-
Trade payables	37,076.75	-	-
Trade / Security deposits	3,028.06	266.91	126.32
Lease liabilities	37.27	44.86	11.17
Other financial liabilities (excluding trade / security deposits)	13.65	1,580.42	-

As at March 31, 2022	Less than 12 months	1 year to 3 years	More than 3 years
Non current borrowings (including current maturity of long term debt)	2,289.97	3,734.31	938.55
Current borrowings*	5,374.73	-	-
Trade payables	34,688.67	-	-
Lease liabilities	25.08	51.60	27.67
Trade / Security deposits	1,332.76	353.75	-
Other financial liabilities (excluding trade / security deposits)	19.84	1,296.60	-

*does not include interest payable in future years, since they are repayable on demand and contractual payment to be made in respect of interest is not accurately determinable considering balance vary based on the fund requirements of the Group.

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(B) Management of market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The size and operations of the Group result in it being exposed to the following market risks that arise from its use of financial instruments:

i) price risk

ii) interest rate risk

iii) foreign exchange risk

The above risks may affect income and expenses, or the value of the financial instruments of the Group. The objective of the Management of the Group for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Group's exposure to and the management of these risks is explained below:

Potential impact of risk	Management policy	Sensitivity to risk
i) Price risk		
The Group is mainly exposed to the price risk due to its investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments. Equity price risk is related to the change in market reference price of the investments in equity securities. In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities. The fair value of quoted equity instruments classified as fair value through Other Comprehensive Income as at March 31, 2023 is ₹ 52,175.27 (March 31, 2022: ₹ 63,195.59).	In order to manage its price risk arising from investments in equity instruments, the Group maintains its portfolio in accordance with the framework set by the Risk Management policies. Any new investment or divestment must be approved by the Board of Directors, Chief Financial Officer and Risk Management Committee.	As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the Group has calculated the impact as follows: For equity instruments, a 5% increase in Sensex prices would have led to an approximately additional ₹ 2,608.76 gain (March 31, 2022: ₹ 3,159.78). A 5% decrease in Sensex prices would have led to an equal but opposite effect. Above referred sensitivity pertains to quoted equity investments (Refer Note 6). Other Comprehensive Income for the year would increase / (decrease) as a result of gains / losses on equity securities as at fair value through Other Comprehensive Income.
ii) Interest rate risk		
<u>Financial liabilities</u> The Group is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings. As at March 31, 2023 the exposure to interest rate risk due to variable interest rate borrowings amounted to ₹ 6,883.15 (73.54% of the total borrowings) [March 31, 2022: ₹ 8,141.25 (72.68% of the total borrowings)].	The Group monitors fluctuations in interest rate continuously and has laid policies and guidelines including to minimize impact of interest rate risk.	As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Group has calculated the impact of a 25 bps* change in interest rates. A 25 bps* increase in interest rates would have led to approximately an additional loss ₹ 17.21 (March 31, 2022: ₹ 20.35 additional loss). A 25 bps* decrease in interest rates would have led to an equal but opposite effect. *Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilised for the whole financial year.
iii) Foreign exchange risk The Group has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognized financial assets and liabilities denominated in a currency that is not the functional currency (₹) of the Group. The risk also includes highly probable foreign currency cash flows.	The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD, GBP and AED. The aim of the Group's approach is to manage the currency risk and to leave the Group with no material residual risk. This aim has been achieved in all years presented.	As an estimation of the approximate impact of the foreign exchange rate risk, with respect to Financial Statements, the Group has calculated the following: For derivative and non-derivative financial instruments, a 5% increase in the spot price as on the reporting date would result in increase in profit and equity as of March 31, 2023 of ₹ 68.40 (March 31, 2022: gain of ₹ 51.85). A 5% decrease would have led to an equal but opposite effect.

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

As at March 31, 2023		As at March 31, 2022	
Receivable/ Payable	Receivable/ Payable in Foreign currency	Receivable/ Payable	Receivable/ Payable in Foreign currency
₹ in Lakhs	(Amount in Foreign currency) (in Lakhs)	₹ in Lakhs	(Amount in Foreign currency) (in Lakhs)
Receivable			
796.21	USD 9.69	619.43	USD 8.17
571.74	AED 25.56	599.82	AED 29.07
Payable			
-	-	175.14	USD 2.31
-	-	6.95	GBP 0.07

(C) Management of credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations.The Group is exposed to credit risk from its operating activities which primarily includes trade receivables, security deposits and deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Cash and cash equivalent, deposit with banks and other bank balances

Credit risk related to cash and cash equivalent, deposit with banks and other bank balances is managed by accepting highly rated banks. Management does not expect any losses from non-performance by these counterparties.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large, diverse and across sectors and countries. All trade receivables are reviewed and assessed for default on a quarterly basis.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant increase in credit risk on other financial instruments of the same counterparty,

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

In furtherance to above, the Group has assessed the impact of the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized in respect of trade receivables. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the micro economic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue. Further, the Group has assessed credit risk on an individual basis in respect of certain customers [Also refer note (a) below].

Other financial assets

Other financial assets measured at amortized cost includes security deposits and other receivables. Credit risk related to these assets are managed by monitoring the recoverability of such amounts continuously, while at the same time the internal control system in place ensures that amounts are within defined limits. The Group has a diversified portfolio of investment with various number of counterparties which have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the treasury department of the Group.

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Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the Consolidated Statement of Profit and Loss.

The movement in allowance for trade receivables is as follows

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	1,585.44	1,142.74
Add: Created during the year	434.32	671.07
Less: Utilized during the year	(140.98)	(261.57)
Balance as at the end of the year	**1,878.78**	**1,552.24**

Note (a):

Amount of trade receivables for which the Group has assessed credit risk on an individual basis	13,818.65	16,825.05
Amount of loss allowance recognized for such trade receivables	1,247.85	969.20

Note (b): Expected credit loss %

Ageing	As at March 31, 2023	As at March 31, 2022
Less than 6 months	0.62%	0.05%
6 Months - 1 year	8.73%	7.33%
1 year - 1.5 years	21.98%	18.46%
1.5 years - 2 years	43.06%	32.25%
2 years - 2.5 years	62.52%	42.24%
2.5 years - 3 years	80.00%	57.60%
>3 years	100.00%	90.00%

The movement in loss allowances for security deposits is as follows :

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	98.78	-
Add: Created during the year	164.69	98.78
Less: Utilized during the year	-	-
Balance as at the end of the year	**263.47**	**98.78**

Note 40 - Capital Management

The Group's objectives when managing capital are to:

- safeguard Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholder;
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' and lease liabilities as shown in the Consolidated Balance Sheet) less cash and cash equivalents and other bank balances. Total capital is calculated as 'equity' as shown in the Balance Sheet.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

Description	As at March 31, 2023	As at March 31, 2022
Total Equity (A)	**61,445.53**	**68,630.23**
Non-Current Borrowings	2,614.67	4,386.11
Current Borrowings (including accured interest)	6,745.44	7,849.39
Lease liabilities	75.60	105.07
Gross Debt (B)	**9,435.71**	**12,340.57**
Gross Debt as above		
Less: Cash and cash equivalents	4,884.71	5,369.00
Less: Other balances with bank	2,431.67	3,699.77
Less: Other non-current bank balances with maturity more than 12 months	379.72	440.98
Net Debt (C)	**1,739.61**	**2,830.82**
Net Debt to Equity (C/A)	**0.03**	**0.04**

Note 41 - Employee benefit obligations

Particulars	As at March 31, 2023	As at March 31, 2022
Compensated Absences (Refer Note 25)	433.69	352.21
Gratuity (Refer Note 25)	833.29	898.46
Total	**1,266.98**	**1,250.67**

(i) Compensated Absences

The employees of the Group are entitled to compensated absences as per the policy of the Group. The entire amount of the provision of compensated absences is presented as current, since the Group does not have an unconditional right to defer settlement for the obligation. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Particulars	As at March 31, 2023	As at March 31, 2022
Current leave obligations not expected to be settled within the next 12 months	331.52	305.40

(ii) Post employment obligations

(a) Defined Contribution Plans:

The Group contributes towards Employees State Insurance Scheme, Family Pension Fund, Superannuation Fund and Provident Fund for certain employees. The contributions are normally based on a certain proportion of the employee's salary. During the year, the Group has recognized contribution to these funds aggregating to ₹ 396.67 (March 31, 2022: ₹ 319.75) (Refer Note 31).

(b) Defined Benefit Plans:

Gratuity

The Group provides for gratuity for employees as per the Group policy. The amount of gratuity payable on retirement/ termination is payable to the employees based on last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Group has established Fund to which the Group makes contribution for the employees. The contributions are made based upon actuarial valuation done at the year end of every financial year using "Projected Unit Credit" method. The charge on account of provision for gratuity has been included in 'Employee Benefits Expense' in the Consolidated Statement of Profit and Loss except remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability which are recognized in other comprehensive income.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Provident fund

In respect of certain employees, provident fund contributions are made to a separately administered trust. Such contribution to the provident fund are charged to the Consolidated Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the guaranteed specified interest rate, the same is provided for by the Group. The actuary has provided an actuarial valuation and the interest shortfall liability, if any, has been provided in the books of accounts after considering the assets available with the provident fund trust.

GRATUITY

The amounts recognized in the Consolidated Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As on April 01, 2021	**1,650.61**	**890.60**	**760.01**
Interest Expense/(Income)	264.66	59.02	205.64
Current Service Cost	98.30	-	98.30
Total amount recognized in the Consolidated Statement of Profit and Loss	**362.96**	**59.02**	**303.94**
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	8.29	(8.29)
(Gain) / loss from change in demographic assumptions / acturial gains / losses	(1.26)	-	(1.26)
(Gain) / loss from change in financial assumptions	21.65	-	21.65
Experience (gains)/losses	96.57	-	96.57
Total amount recognized in Other Comprehensive Income	**116.96**	**8.29**	**108.67**
Employer Contributions	-	272.02	(272.02)
Benefit Payments	(312.55)	(310.42)	(2.13)
Balance as on March 31, 2022	**1,817.97**	**919.51**	**898.46**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As on April 01, 2022	**1,817.97**	**919.51**	**898.46**
Interest Expense/(Income)	129.02	65.84	63.18
Current Service Cost	91.63	-	91.63
Total Amount Recognized in the Consolidated Statement of Profit and Loss	**220.65**	**65.84**	**154.81**
Remeasurements			
Return on plan assets, excluding amount included in interest expense/(income)	-	6.93	(6.93)
(Gain) / loss from change in financial assumptions	90.04	-	90.04
Experience (gains) / losses	151.33	-	151.33
Total Amount Recognized in Other Comprehensive Income	**241.37**	**6.93**	**234.44**
Employer Contributions	-	440.00	(440.00)
Benefit Payments	(38.44)	(38.44)	-
Disposal on sale of subsidiary	(14.42)	-	(14.42)
Balance as on March 31, 2023	**2,227.13**	**1,393.84**	**833.29**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

PROVIDENT FUND

The amounts recognized in the Consolidated Balance Sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As on April 01, 2021	**1,785.74**	**1,878.14**	**(92.40)**
Opening Balance adjustment	24.98	(53.74)	78.72
Interest Expense / (Income)	134.18	134.18	-
Current Service Cost	59.22	-	59.22
Employee Contributions	82.74	141.97	(59.23)
Return on plan assets	-	50.46	(50.46)
Benefit Payments	(395.90)	(395.90)	-
Balance as on March 31, 2022 *	**1,690.96**	**1,755.11**	**(64.15)**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As on April 01, 2022	**1,690.96**	**1,755.11**	**(64.15)**
Opening Balance adjustment	(18.76)	-	(18.76)
Interest Expense / (Income)	134.71	134.71	-
Current Service Cost	72.61	-	72.61
Contributions	94.96	167.56	(72.60)
Liabilities transferred in / (out)	21.49	21.49	-
Return on plan assets	-	(32.45)	32.45
Benefit Payments	(85.67)	(85.67)	-
Balance as on March 31, 2023 *	**1,910.30**	**1,960.75**	**(50.45)**

* Excess of the asset over liability is not recognized in the Consolidated financial statements

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

GRATUITY

Particulars	As at March 31, 2023	As at March 31, 2022
Present Value of Obligations	2,227.13	1,817.97
Fair Value of Plan Assets	1,393.84	919.51
Net Liability	**833.29**	**898.46**

PROVIDENT FUND

Particulars	As at March 31, 2023	As at March 31, 2022
Present Value of Obligations	1,910.30	1,690.96
Fair Value of Plan Assets	1,960.75	1,755.11
Net Asset	**(50.45)**	**(64.15)**

* Excess of the asset over liability is not recognized in the Consolidated financial statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

The significant actuarial assumptions were as follows::

Particulars	**As at March 31, 2023**	As at March 31, 2022
Discount (Rate / Return) on plan assets		
Gratuity	7.47%	7.15% - 7.31%
Guaranted Return		
Provident fund	8.15%	8.10%
Rate of salary increase		
Gratuity	6.00%	5.00% - 6.00%
Rate of employee turnover		
Gratuity	3.00%	3.00%
Mortality rate during employment	Indian assured lives mortality (2012-14) (Urban)	Indian assured lives mortality (2012-14) (Urban)

Sensitivity Analysis

The sensitivity of the defined benefit obligation to increase and decrease in the the weighted principal assumptions by 0.50% is as below:

Particulars	**Impact on defined benefit obligation**			
	Increase in assumptions		**Decrease in assumptions**	
	March 31, 2023	**March 31, 2022**	**March 31, 2023**	**March 31, 2022**
Discount Rate / Return on plan assets				
Gratuity	(64.99)	(57.34)	68.86	60.66
Rate of salary increase				
Gratuity	69.51	61.40	(66.17)	(58.75)
Rate of employee turnover				
Gratuity	3.80	6.23	(3.98)	(6.54)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the Consolidated Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iii) The major categories of plan assets are as follows:

The fair value of the plan assets at the end of the reporting period for each category are as follows:

Particulars	**As at March 31, 2023**	As at March 31, 2022
Central Government of India bonds	13.60%	11.29%
State Government Securities	26.11%	26.73%
Special Deposits Scheme	9.14%	10.77%
Debt Instruments/Mutual Funds	48.49%	48.17%
Others	2.66%	3.04%

(iv) Risk Exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Demographic Risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit.

Salary Inflation Risk: Higher than expected increases in salary will increase the defined benefit obligation.

Interest-Rate Risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(v) Defined Benefit Liability and Employer Contributions

Expected contributions to post-employment benefit plans for the year ending March 31, 2024 are ₹ 210.92.

The weighted average duration of the defined benefit obligation is 7 years (March 31, 2022: 8 years).

The expected maturity analysis of undiscounted gratuity is as follows:

Maturity Analysis of the Projected Benefit Obligations - Gratuity

Particulars	As at March 31, 2023	As at March 31, 2022
1st Following Year	287.05	70.29
2nd Following Year	101.45	176.11
3rd Following Year	167.66	168.94
4th Following Year	402.66	140.92
5th Following Year	206.26	321.14
Sum of 6 to 10	1,173.16	980.08
Sum of 11 and above	1,589.50	1,334.37

Note 42 - Related party transactions

I Name of related parties and nature of relationship:

A) Key Management Personnel:

H. A. Mafatlal (Chairman)

Priyavrata H. Mafatlal (Son of Shri H.A. Mafatlal) [Managing Director and Chief Executive Officer (CEO) till March 31, 2022] (Managing Director w.e.f. April 01, 2022)

Atul K. Srivastava (Non Executive Independent Director)

Vilas R. Gupte (Non Executive Independent Director)

Pradip N. Kapadia (Non Executive Independent Director)

Latika P. Pradhan (Non Executive Independent Director)

Gautam G. Chakravarti (Non Executive Independent Director)

Sujal A. Shah (Non Executive Independent Director)

B) Individual having significant influence:

H. A. Mafatlal

C) Enterprises over which key management personnel and their relatives are able to exercise significant influence (with whom transactions have taken place):

NOCIL Limited

KSG Trading Private Limited (Formerly known as Gayatri Pestichem Manufacturing Private Limited)**

MAF Technologies Private Limited

Vrata Tech Solutions Private Limited (w.e.f. July 01, 2022) [Refer Note 49(a)]

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

D) Enterprises over which individual having significant influence and relatives of such individual are able to exercise significant influence (with whom transactions have taken place):

Sumil Trading Private Limited

Intensive Clothing Care Unit

E) Post employment benefit plan:

The Mafatlal Gagalbhai & Sons and the Associate Concerns Officer's Superanuation Scheme

Mafatlal Industries Limited - Employees Gratuity Fund

Mafatlal Industries Limited - Employees Provident Fund

Mafatlal Denim Limited - Employees Provident Fund**

Mafatlal Denim Limited - Employees Superannuation Fund**

** No transactions during the current and previous year.

II Transactions with related parties:

A) Key Management personnel compensation

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Directors Remuneration		
Short-term employee benefits		
Priyavrata H. Mafatlal	202.15	126.92
Post-employment benefits	*	*
Long-term employee benefits	*	*
Directors' sitting fees		
Latika P. Pradhan	11.20	11.20
Atul K. Srivastava	7.00	7.70
Pradip N. Kapadia	11.90	11.20
Gautam G. Chakravarti	12.60	12.60
Sujal A. Shah	11.20	10.50
Vilas R. Gupte	12.60	11.90
Total compensation	**268.65**	**192.02**

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

B) Transactions carried out with the related parties referred in (I) above, in ordinary course of business:

Nature of transaction	Year ended March 31, 2023	Year ended March 31, 2022
(i) Revenue from contract with customer		
Sumil Trading Private Limited	-	60.68
(ii) Other Income - Utility / business service / air-conditioning charges and other receipts in respect of investment properties		
NOCIL Limited	10.07	7.05
Intensive Clothing Care Unit	39.34	2.72
(iii) Other income - Rental income		
Sumil Trading Private Limited	5.22	2.65
Vrata Tech Solutions Private Limited (w.e.f. July 01, 2022) [Refer Note 49(a)]	1.25	-
KSG Trading Private Limited (Formerly known as Gayatri Pestichem Manufacturing Private Limited)	-	0.13
(iv) Other income - Dividend Income		
NOCIL Limited	757.77	505.18
(v) Lease rent paid		
Sumil Trading Private Limited	7.88	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Nature of transaction	Year ended March 31, 2023	Year ended March 31, 2022
(vi) Purchase of Property, plant and equipment		
Vrata Tech Solutions Private Limited (w.e.f. July 01, 2022) [Refer Note 49(a)]	62.60	-
(vii) Purchase of raw material		
Sumil Trading Private Limited	-	1,301.11
(viii) Finance costs - Interest expense		
Sumil Trading Private Limited	44.95	-
(ix) Other expenses		
Sumil Trading Private Limited	4.50	9.00
Intensive Clothing Care Unit	2.79	-
Vrata Tech Solutions Private Limited (w.e.f. July 01, 2022) [Refer Note 49(a)]	113.66	-
(x) Recovery of expenses (net)		
Vrata Tech Solutions Private Limited (w.e.f. July 01, 2022) [Refer Note 49(a)]	1.06	-
MAF Technologies Private Limited	0.26	-
Sumil Trading Private Limited	0.59	-
Intensive Clothing Care Unit	21.09	-
(xi) Payment for Post employment benefit plan		
The Mafatlal Gagalbhai & Sons and the associate concerns officer's superanuation scheme	30.06	145.45
Mafatlal Industries Limited Employee's Gratuity Fund	440.00	272.02
Mafatlal Industries Limited Employee's Provident Fund	167.56	141.97
(xii) Proceeds from sale of subsidiary (VTSPL)		
Sumil Trading Private Limited [Refer Note 49(a)]	407.48	-

C) Outstanding balances with related parties refered in (I) above:

Nature of transaction	As at March 31, 2023	As at March 31, 2022
(i) Trade and other receivables:		
NOCIL Limited	-	1.81
Intensive Clothing Care Unit	54.62	0.51
(ii) Trade and other payables:		
Sumil Trading Private Limited	1.89	459.95
Vrata Tech Solutions Private Limited (w.e.f. July 01, 2022) [Refer Note 49(a)]	16.25	-
(iii) Investments in Related Parties		
NOCIL Limited	52,109.44	63,008.75

Notes:

(a) Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

(b) Transactions were done in ordinary course of business and on normal terms and conditions.

(c) All outstanding balances are unsecured and receivable / payable in cash.

Note 43 - Contingent liabilities and contingent assets

(a) Contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax matters	2,728.51	2,578.00
Central excise, sales tax and related matters	240.55	240.55
Central excise and service tax matters	2,960.55	2,960.55
Labour law matters	105.90	173.64
Director General of Foreign Trade matters	4.79	4.79
Total	**6,040.30**	**5,957.53**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

(b) The Group is a lessee in respect of the land on which Mafatlal Centre and Mafatlal Chambers is erected. In this regard

In case of Mafatlal Centre:

A demand for ₹ 2,696.98 (March 31, 2022: ₹ 2,696.98) for the period from 2004-07 and 2008-10 was raised by Brihanmumbai Mahanagarpalika ('BMC') towards property taxes in respect of the properties owned by various owners for the respective floors. The demand has been challenged by owners of various floors at appropriate forum and the matter is subjudice. In case the demand is finally upheld, the amount will be paid by the concerned co-owners and the Group will have no additional liability.

In case of Mafatlal Chambers:

A demand for ₹ 792.46 (March 31, 2022: ₹ 792.46) for the period 2000-05 has been raised by BMC towards property taxes in respect of the properties owned by the Group at the relevant time. The said demand has been disputed by the Group. As per the directions given by the Honourable Bombay High Court, the BMC has granted hearing to the Group and the final outcome is awaited.

(c) It is not practicable for the Group to estimate the timing of cash flows, if any, in respect of the above, pending resolution of the respective proceedings.

(d) The Group does not expect any reimbursement in respect of the above contingent liabilities.

(e) The Group believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

(f) Contingent liability relating to determination of provident fund liability, based on judgement from Hon'ble Supreme Court, is not determinable at present for the period prior to March, 2019, due to uncertainty of the impact of the judgement in the absence of further clarification relating to applicability. The Group has paid Provident Fund to employees as applicable with effect from March 2019. The Group will continue to assess any further developments in this matter for its implication on the financial statements, if any.

Note 44 - Capital Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Property, Plant and equipments	17.27	-
Less: Capital advances (Refer Note 9)	(17.27)	-
Net capital commitments	-	-

Note 45 - Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Group. The CODM consists of Chairman and Managing Director who are responsible for allocating resources and assessing performance of the operating segments.

Upto the previous year, the Group had identified 'Textile and related product' as its only primary reportable segment in accordance with the requirements of Ind AS 108, 'Operating Segments'. Accordingly, no separate segment information has been provided for the previous year. During the current year, the Group has identified and reported the following business segments:

a) Textile and related products, and

b) Technology and related products.

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income, including income from investments and investment properties).

Segment Assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, inventories and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which cannot be allocated to any of the business segment are shown as unallocable assets / liabilities.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

(i) Operating segments based on nature of products

Particulars	Year ended March 31, 2023		
	Textile and related products	Technology and related products	Total
Income			
Segment Revenue	1,32,659.01	4,512.02	1,37,171.03
Other income	987.19	-	987.19
Total Income	**1,33,646.20**	**4,512.02**	**1,38,158.22**
Segment Result	**4,238.79**	**438.80**	**4,677.59**
Add / (Less) :			
Unallocated income / (expense) (net)			1,239.72
Unallocated depreciation and amortisation			(105.70)
Unallocable Finance Cost			(1,771.80)
Profit before exceptional items and tax			**4,039.81**
Exceptional Items (Net) (Refer note 35)			(53.57)
Tax expense			(279.46)
Profit for the year			**3,706.78**

Particulars	As at March 31, 2023		
	Textile and related products	Technology and related products	Total
Other Information:			
Segment assets	60,214.38	92.68	60,307.06
Unallocable assets *			57,179.93
Total Assets			**1,17,486.99**
Segment liabilities	44,282.02	126.68	44,408.70
Unallocable liabilities			
Borrowings			9,360.11
Others			2,272.65
Total Liabilities			**56,041.46**

* Unallocable assets are majorly pertaining to investments.

Particulars	Year ended March 31, 2023		
	Textile and related products	Technology and related products	Total
Capital Expenditure:			
Segment capital expenditure	1,229.47	-	1,229.47
Unallocated capital expenditure			317.34
Total capital expenditure			**1,546.81**
Depreciation and Amortisation:			
Segment depreciation and amortisation	1,437.25	-	1,437.25
Unallocated depreciation and amortisation			105.69
Total depreciation and amortisation			**1,542.94**
Significant non-cash expenditure (other then depreciation and amortisation):			
Segment significant non-cash expenditure (other then depreciation and amortisation)	625.78	-	625.78
Unallocated significant non-cash expenditure (other then depreciation and amortisation)			-
Total significant non-cash expenditure (other then depreciation and amortisation)			**625.78**
Additions to Non Current Assets			
Segment additions to non current assets	17.27	-	17.27
Unallocated additions to non current assets			-
Total Additions to Non Current Assets			**17.27**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

(ii) Entity wide disclosure

The Group is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

The Group derives revenue from the transfer of goods and services in the following geographical regions (based on area of sales):

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	1,33,475.13	96,422.85
Asia (Excluding India)	3,444.56	3,702.66
Others	251.34	181.78
Total	**1,37,171.03**	**1,00,307.29**

Segment Assets

Non-current assets excluding financial assets, deferred tax assets and income tax assets (based on area of non-current assets):

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	9,551.23	9,818.75
Asia (Excluding India)	-	-
Others	-	-
Total	**9,551.23**	**9,818.75**

The Group has revenue of more than 10% from the Directorate of Food and Consumer Affairs, Jharkhand amounting to ₹ 15,172.09 during the current year (March 31, 2022: ₹ 37,231.00).

Note 46 - Earnings per share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Basic Earnings Per Share		
Profit for the year as per the Consolidated Statement of Profit and Loss	3,706.78	2,865.57
Weighted average number of shares for the purposes of basic earnings per share (in numbers)	7,04,60,322	6,99,60,423
Basic Earnings Per Share (in ₹)	5.26	4.10
Diluted Earnings Per Share		
Profit for the year as per the Consolidated Statement of Profit and Loss	3,706.78	2,865.57
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share (in numbers)	7,10,48,027	7,01,26,665
Diluted Earnings Per Share (in ₹)	5.22	4.09
Weighted average number of shares used as the denominator (in numbers)		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	7,04,60,322	6,99,60,423
Adjustment for calculation of diluted earning per share:		
Employees stock option [Refer Note (a) below]	5,87,705	1,66,242
Weighted average number of shares used as the denominator for calculating diluted earnings per share	7,10,48,027	7,01,26,665

Note (a) - Information concerning the classification of securities

Options granted to employees under the Mafatlal Employee Stock Option Scheme 2017 ('ESOS 2017') are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in Note 38.

Note (b) - Sub-division of equity shares

Pursuant to the approval of the shareholders through postal ballot ("e-voting") dated November 07, 2022, 1 equity share of the Company having a face value of ₹ 10/- each was sub-divided into 5 equity shares having a face value of ₹ 2/- each with effect from the record date, i.e., November 25, 2022. Consequently, the basic and diluted earnings per share have been computed for all the periods presented in the Consolidated Financial Statements on the basis of the new number of equity shares in accordance with Ind AS 33 – Earnings per Share.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 47 - Government Grants

Export Promotion Capital Goods (EPCG): This scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on such capital goods. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as a Capital Grant as stated in the accounting policy on Government Grants (Refer note 2).

Technology Upgradation Fund Scheme (TUFS): The Group is entitled to subsidy, on its investment in the property, plant and equipment, on fulfilment of the conditions stated in the Scheme.

Duty Drawback Scheme: Under Duty drawback scheme, the Group receives certain percentage of export proceeds as a duty drawback from custom authorities on export of products.

The Government Grants above represents unamortised amount of the subsidy referred below, with the corresponding adjustment to the carrying amount of property, plant and equipment [Refer note 3(a)].

Particulars	**As at March 31, 2023**	As at March 31, 2022
Opening balance	271.31	401.49
Grants during the year	-	-
Less: Released to Consolidated Statement of Profit and Loss [Refer Note 28(a)]	(101.95)	(130.18)
Closing balance	**169.36**	**271.31**

Description	**As at March 31, 2023**	As at March 31, 2022
Current portion (Refer Note 26)	73.73	130.18
Non-current portion (Refer Note 21)	95.63	141.13
Total	**169.36**	**271.31**

Note 48(a) - Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	**Notes**	**As at March 31, 2023**	**As at March 31, 2022**
Current			
First and Second Charge			
Financial Assets			
Trade receivables	11(b)	28,554.79	25,353.59
Deposits with banks	13	-	170.88
Non-Financial Assets			
Inventories	10	10,624.28	7,195.88
Total Current assets pledged as security		**39,179.07**	**32,720.35**
Non-Current			
First and Second Charge			
Financial Assets			
Investments	6	12,133.24	12,568.18
Deposit with bank	8	231.18	82.50
Non-Financial Assets			
Land	3(a)	5.21	5.23
Building	3(a)	211.98	232.21
Plant and Machinery	3(a)	6,723.12	7,469.35
Investment Properties	4	3.93	4.96
Vehicles	3(a)	272.79	83.43
Total non-current assets pledged as security		**19,581.45**	**20,445.86**
Total assets pledged as security		**58,760.52**	**53,166.21**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 48(b) - Net debt reconciliation

Particulars	As at March 31, 2023	As at March 31, 2022
Short term borrowings	(5,021.37)	(5,374.73)
Long term borrowings	(2,614.67)	(4,386.11)
Current maturities of long term borrowings	(1,724.07)	(1,441.41)
Lease Liabilities	(75.60)	(105.07)
Total debt	**(9,435.71)**	**(11,307.32)**
Cash and Cash equivalents	4,884.71	5,369.00
Net debt	**(4,551.00)**	**(5,938.32)**

Particulars	Other assets	Liabilities from financing activities			Total
	Cash and cash equivalents	Long term borrowings including current maturity	Short term borrowings	Lease Liability	
Net debt as at April 01, 2022	**5,369.00**	**(5,827.52)**	**(5,374.73)**	**(105.07)**	**(5,938.32)**
Cash flows	(484.29)	1,469.89	353.36	28.50	1,367.46
Interest expense	-	(602.46)	(602.17)	(3.63)	(1,208.26)
Interest paid	-	621.35	602.17	3.63	1,227.15
Non cash movements for acquisitions and disposals (net)	-	-	-	0.97	0.97
Net debt as at March 31, 2023	**4,884.71**	**(4,338.74)**	**(5,021.37)**	**(75.60)**	**(4,551.00)**
Net debt as at April 01, 2021	**3,547.52**	**(8,255.26)**	**(6,549.29)**	**-**	**(11,257.03)**
Cash flows	1,821.48	2,425.03	1,174.56	4.75	5,425.82
Interest expense	-	(808.08)	(616.69)	(3.66)	(1,428.43)
Interest paid	-	810.79	616.69	3.66	1,431.14
Non cash movements for acquisitions and disposals (net)	-	-	-	(109.82)	(109.82)
Net debt as at March 31, 2022	**5,369.00**	**(5,827.52)**	**(5,374.73)**	**(105.07)**	**(5,938.32)**

Note 49

(a) Sale of subsidiary

During the year, the Board of Directors of the Company approved the divestment of its investment in Vrata Tech Solutions Private Limited (VTS), a Subsidiary company representing 77.78% of the paid-up share capital of VTS. As a result, a Share Purchase Agreement was entered on June 20, 2022 with a promoter group company (Sumil Trading Private Limited) for the total consideration of ₹ 407.48 (based on fair value of equity share of VTS carried-out by the independent valuer) which was concluded on June 30, 2022. Subsequent to this transaction, VTS ceased to be a subsidiary of the Company with effect from June 30, 2022.

Financial information relating to VTS for the period to the date of disposal is set out below:

(i) Financial performance and cash flow information

Particulars	Year ended March 31, 2023
Revenue	98.87
Expenses	149.37
Loss before tax	**(50.50)**
Loss attributable to:	
Owners of Mafatlal Industries Limited	(39.28)
Non Controlling Interest	(11.22)
Gain on sale of the subsidiary after income tax [see note (ii) below]	371.62
Other comprehensive income	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	**Year ended March 31, 2023**
Cash Flows:	
Net cash outflow from operating activities	(81.89)
Net cash outflow from investing activities	(4.39)
Net cash outflow from financing activities	55.20
(ii) Details of the sale of the subsidiary	
Consideration received	407.47
Carrying amount of net assets disposed (net of non-controlling interest in VTS)	(35.85)
Net gain on sale of subsidairy	371.62

The carrying amounts of assets and liabilities as at the date of sale (i.e. June 30, 2022) were as follows:

Particulars	**As at June 30, 2022**
Property, plant and equipment	13.33
Right-of-use assets	97.00
Inventories	29.94
Non-current - Other financial assets	12.65
Deferred tax assets (Net)	9.88
Trade receivables	39.91
Cash and cash equivalents	51.47
Other current assets	38.80
Total assets	**292.98**
Provisions	41.74
Other Financial liabilities	75.03
Lease liabilities	73.40
Trade payables	20.13
Other current liabilities	35.65
Total liabilities	**245.95**
Net assets	**47.03**
Less: Non-controlling interest	(11.18)
Carrying amount of net assets disposed (net of non-controlling interest in VTS)	**35.85**

(b) The Board of Directors of the Company at its meeting held on November 14, 2022, has approved the scheme of arrangement for capital reduction and reorganisation pursuant to the provisions of Section 230 and other applicable provisions of the Companies Act, 2013. The scheme will be given effect to on receipt of requisite approvals.

Note 50: Interests in other entities

(a) Subsidiaries

The Consolidated Financial Statements present the Consolidated Accounts of Mafatlal Industries Limited with its following subsidiaries:

Name of the subsidiary	**Place of business / country of incorporation**	**Ownership interest held by the group**		**Ownership interest held by non-controlling interests**	
		As at March 31, 2023	**As at March 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**
Mafatlal Services Limited (MSL)	India	88.00%	88.00%	12.00%	12.00%
Vrata Tech Solutions Private Limited (VTS) [Refer Note 49(a)]	India	0.00%	77.78%	100.00%	22.22%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

(b) Non-controlling interests (NCI)

Set out below is summarized financial information for both the subsidiaries that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarized balance sheet	Year ended March 31, 2023	Year ended March 31, 2022
Current assets	12.80	136.73
Current liabilities	1.60	83.86
Net current assets	**11.20**	**52.87**
Non-current assets	0.21	165.11
Non-current liabilities	6.84	109.86
Net non-current assets	**(6.63)**	**55.25**
Net assets	**4.57**	**108.12**
Accumulated NCI	**0.71**	**23.11**

Summarized statement of Profit and Loss	Year ended March 31, 2023	Year ended March 31, 2022
Revenue	180.68	527.05
Profit for the year	(50.50)	(63.55)
Total comprehensive income	(50.50)	(63.55)
Profit allocated to NCI	(11.22)	(10.73)
Dividends paid to NCI	-	-

Summarized cash flows	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities	(81.42)	77.84
Cash flows from investing activities	(4.37)	(119.03)
Cash flows from financing activities	55.20	106.28
Net (decrease) / increase in cash and cash equivalents	**(30.59)**	**65.09**

(c) Transactions with Non-Controlling interest

There are no transactions with non-controlling interests for any of the reported years.

Note 51 - Additional information required by Schedule III

Particulars	March 31, 2023		March 31, 2022	
	As a % of Consolidated	Amount	As a % of Consolidated	Amount
Parent				
Mafatlal Industries Limited				
Net Assets i.e Total assets minus total liabilities	99.99%	61,440.96	99.85%	68,534.74
Share in profit	101.11%	3,748.10	100.37%	2,876.30
Share in other comprehensive income	100.00%	(11,110.48)	100.00%	18,841.87
Share in total comprehensive income	99.44%	(7,362.38)	100.05%	21,718.17
Subsidiaries				
Mafatlal Services Limited and Vrata Tech Solutions Private Limited (till June 30, 2022.)				
Net Assets i.e Total assets minus total liabilities	0.01%	4.57	0.18%	105.49
Share in profit or (loss)	(1.11%)	(41.32)	(0.37%)	(10.73)
Share in other comprehensive income	0.00%	-	0.00%	-
Share in total comprehensive income	0.56%	(41.32)	(0.05%)	(10.73)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 52

(i) As legally advised, the Group has not recognized as income recovery of rent and other charges of ₹ 83.61 upto March 31, 2023 (₹ 83.61 upto March 31, 2022) pending final resolution of legal dispute with certain ex-tenants of a property in South Mumbai. At present, the legal dispute is pending with the Hon'ble Bombay High Court. A sum of ₹ 577.89 (Net) was withdrawn by the Group in accordance with the Orders passed by the Hon'ble High Court of Bombay on the Civil Revision Applications filed by the ex-tenants and the said amount of ₹ 577.89 has been included in other non-current liabilities (Refer Note 20).

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

(iii) Pursuant to the demerger of the Real Estate and Investment Business to Sulakshana Securities Limited (SSL) in 2002, the shareholders of the Group are to be issued one equity share of ₹ 10/- each (before giving effect of sub-division), fully paid-up, in SSL for every 500 shares of ₹ 100/- each, fully paid-up, held in the Group as consideration for the demerger, aggregating to ₹ 1.00. As the shareholders of the Group would be entitled to receive only fractional shares of SSL, the rehabilitation scheme sanctioned by BIFR envisages that these shares would be acquired by Navin Fluorine International Limited (NFIL) and the shareholders of the Group would receive proportionate payment in consideration thereof. The Group has received the said amount of ₹ 1.00 from NFIL on behalf of the shareholders, which is pending disbursement upon completion of formalities.

(iv) As reported earlier, the Group had filed a review petition in the Honourable Bombay High Court against the Order of Honourable Bombay High Court partially allowing the Writ petition No. 2982 of 2016 filed by the Group, in so far as it related to rejection of the claim of the Group for non-cash compensation benefit (TDR) against surrender of a part of land at Mazgaon (reserved land) to Municipal Corporation of Greater Mumbai (MCGM). Subsequent to year-end, the said review petition was dismissed by the Honourable Bombay High Court on April 20, 2023. The Group is in the process of obtaining legal advice on the said matter and shall take necessary action accordingly.

Note 53

The consolidated financial statements of the Group - Mafatlal Industries Limited have been prepared in accordance with Indian Accounting Standard (Ind.AS) - 110 on 'Consolidated Financial Statements'. The details of such entities are as under:

Name of the entity	% Holding of the Group	
	As at March 31, 2023	As at March 31, 2022
Mafatlal Services Limited (subsidiary incorporated in India)	88.00%	88.00%
Ibiza Industries Limited	54.89%	54.89%
Sunanda Industries Limited	94.00%	94.00%
Al Fahim Mafatlal Textile LLC-UAE	49.00%	49.00%
Mafatlal Engineering Industries Limited	22.18%	22.18%
Vrata Tech Solutions Private Limited (till June 30, 2022) [Refer Note 49(a)]	0.00%	77.78%

(a) During the year ended March 31, 2022, the shareholding of Vrata Tech Solutions Private Limited reduced from 100.00% as at March 31, 2021 to 77.78% due to additional shares issued to another shareholder. During the year ended March 31, 2023, the Board of Directors of the Company approved the divestment of its investment in Vrata Tech Solutions Private Limited. [Refer Note 49(a)]

(b) Consequent to Ibiza Industries Limited (IIL) and Sunanda Industries Limited (SIL) which have gone under liquidation in the earlier years, the Group effectively has no control over IIL and SIL. The liquidation is being carried out by court appointed liquidator. In absence of power over the relevant activities and variable returns, the Group effectively has no control over above entities. Hence, in accordance with the requirements of Ind AS -110 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI) and specified under Section 133 of the Companies Act, 2013, the same have not been consolidated.

(c) In case of Al Fahim Mafatlal Textile LLC - UAE - the joint venture, it is in the process of liquidation and hence the Group does not have joint control over the entity. Accordingly, the unaudited financial statement have not been considered for consolidation.

(d) The Mafatlal Engineering Industries Limited is in the process of liquidation and the Group ceases to have any significant influence over the entity and accordingly, it has not been considered for consolidation.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
(All amounts in ₹ Lakhs, unless otherwise stated)

Note 54 - Details of Research and Development

Details of research and development expenditure recognized as expense:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Employee benefits expense	79.62	70.50
Consumables	3.58	2.15
Repairs and Maintenance	1.27	3.83
Total	**84.47**	**76.48**

Note: 55 - Additional Regulatory Information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Wilful defaulter

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iii) Relationship with struck off companies

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) Compliance with approved scheme(s) of arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year. [Also refer Note 49(b)]

(v) Valuation of Property, plant and equipment, intangible asset and investment property

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

(vi) Utilization of borrowed funds and share premium

The Group has not advanced or loaned or invested funds to any person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(vii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(viii) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(ix) Utilization of borrowings availed from banks and financial institutions

The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

(x) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of layers) Rules, 2017.

(xi) Borrowing secured against current assets

The Group has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks and financial institutions are in agreement with the books of accounts.

Note 56

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

Note 57

The Consolidated Financial Statements were authorized for issue by the Board of Directors on May 30, 2023.

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

In terms of our report attached

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

Pankaj Khandelia
Partner
Membership Number: 102022

Place: Mumbai
Date: May 30, 2023

For and on behalf of the Board of Directors

H. A. Mafatlal Chairman (DIN: 00009872)	**P. H. Mafatlal** Managing Director (DIN: 02433237)	**M. P. Shah** Chief Financial Officer	**A. P. Shah** Company Secretary
Place: Mumbai Date: May 30, 2023	Place: Sydney Date: May 30, 2023	Place: Mumbai Date: May 30, 2023	Place: Mumbai Date: May 30, 2023

FORM AOC - I

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014 Statement containing salient features of the financial statement of the subsidiary and the joint venture.

Part "A" Subsidiaries

(All amounts in ₹ Lakhs, unless otherwise stated)

Sr. No	Particulars	Name of the Subsidiary Company	
		Mafatlal Services Limited	**Vrata Tech Solutions Private Limited**
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	**April 1, 2022, to March 31, 2023**	**April 1, 2022, to June 30, 2022 (Ceased to be the subsidiary of the Company with effect from June, 30 2022.)**
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	00.00
4.	Other Equity	(305.43)	00.00
5.	Total assets	13.01	00.00
6.	Total Liabilities	08.44	00.00
7.	Investments	00.00	00.00
8.	Turnover	31.94	149.15
9.	Loss before taxation	00.00	(50.47)
10.	Provision for taxation	00.10	00.00
11.	Loss after taxation	(00.10)	(50.47)
12.	Proposed Dividend	00.00	00.00
13.	% of shareholding	88%	00.00

1. Names of subsidiaries which are yet to commence operations: None.
2. Names of subsidiaries which have been sold during the year: Vrata Tech Solutions Private Limited (VTSPL) has been sold on June 30, 2022.

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

This is to inform you that **109th Annual General Meeting** ('AGM') is scheduled to be held on **Thursday, August 03, 2023 at 12:00 noon** through video conferencing ('VC') / other audio-visual means ('OAVM').

The Annual Report for 2022-23 along with Notice of the AGM is available and can be downloaded from the Company's website www.mafatlals.com under "Investors" section and also at the website of Kfin Technologies Limited ('KFintech') the Registrar & Share Transfer Agents (RTA) of the Company www.kfintech.com.

The Ministry of Corporate Affairs ("MCA") vide its latest General Circular dated December 28, 2022, read with earlier circulars issued in this regard ("MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its latest Circular dated January 5, 2023, read with earlier circulars issued in this regard ("SEBI Circulars") have permitted the holding of the AGM through VC / OAVM. In accordance with the aforesaid MCA and SEBI Circulars, exemption has been granted to the Companies from the requirement of sending physical copies of the Annual Report and Notice of AGM to the shareholders. Thus, the Notice of 109th AGM and the Annual Report for FY 2022-23 is being sent electronically only to Members whose email addresses are registered with the Company / Registrar & Transfer Agent or with their respective Depository Participant(s).

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

The e-voting period the commences on **Monday, July 31, 2023 (9:00 a.m. IST) and ends on Wednesday, August 02, 2023 (5:00 p.m. IST).**

During this period, Members holding shares either in physical form or in dematerialised form as on **Thursday, July 27, 2023** i.e. cut-off date, may cast their votes electronically. The e-voting module shall be disabled by KFintech for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

The voting rights of Members shall be in proportion to the equity shares held by them in the paid-up equity share capital of the Company as on **Thursday, July 27, 2023** (cut-off date). Any person, who is a Member of the Company as on the cut-off date is eligible to cast vote electronically on all the resolutions set forth in the Notice of AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

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

1. e-AGM: Company has appointed KFintech to provide VC / OAVM facility for the AGM and the attendant enablers for conducting of the e-AGM.
2. Pursuant to the provisions of the circulars of MCA on the VC/OVAM(e-AGM):
   a. Members can attend the meeting through login credentials provided to them to connect to VC / OAVM. Physical attendance of the Members at the Meeting venue is not required.
   b. Option of appointment of proxy to attend and cast vote on behalf of the member is not available.
   c. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/ OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
4. To start with 1000 members will be able to join on a FIFO basis to the e-AGM.
5. No restrictions on account of FIFO entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding). Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
6. The attendance of the Members (members logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Members are requested to register their email IDs with KFintech if shares are held by them in physical form or with their respective DPs if shares are held by them in demat form. Those Members who have not registered their email IDs may send an email request to einward.ris@kfntech.com along with the following documents for obtaining the Annual Report, Notice of AGM with e-voting instructions and login credentials (a) In case shares are

INSTRUCTIONS TO THE SHAREHOLDERS FOR E-VOTING (Contd.)

held in physical mode, please provide folio no., name, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of any address proof; (b) In case shares are held in demat mode, please provide DPID-Client ID (8 digit DPID + 8 digit client ID or 16 digit beneficiary ID), name, client master or copy of consolidated account statement, self-attested scanned copy of PAN card, self-attested scanned copy of any address proof, (c) After due verification, KFintech will forward login credentials to Member's registered email ID; (d) After this, Member may follow the remote e-voting instructions given in this Notice.

INSTRUCTIONS FOR THE MEMBERS FOR ATTENDING THE E-AGM THROUGH VC / OAVM:

1. Attending e-AGM: Member will be provided with a facility to attend the e-AGM through VC / OAVM platform being provided by KFintech. Members may access the same at https://emeetings.kfntech.com and click on the "video conference" and access the shareholders/members login by using the remote e-voting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the Company can be selected.

2. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.

3. Members are encouraged to Join the Meeting through Laptops with Google Chrome for better experience.

4. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the Meeting.

5. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

6. **AGM Questions prior to e-AGM:** Shareholders who would like to express their views/ask questions during the meeting may log into https://emeetings.kfntech.com and click on "Post your questions" may post their queries/ views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, members questions will be answered only if the shareholder continue to hold the shares as of cut-off date benpos.

7. Due to limitations of transmission and coordination during the Q&A session, the Chairman may dispense with the speaker registration during the e-AGM conference.

8. **Speaker Registration during e-AGM session:** In case of decision to allow the Q&A session in the meeting, members may log into https://emeetings.kfntech.com and click on "Speaker Registration, by mentioning the demat account number/folio number, city, email id, mobile number and submit.

Members who wish to be a Speaker or would like to express their views or ask Questions during the AGM may register themselves as a "speaker, by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at **agm.speaker@mafatlals.com from Saturday, July 29, 2023 (9:00 a.m. IST) and ends on Tuesday, August 01, 2023 (5:00 p.m. IST)**.

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

Members are requested to email their questions in advance concerning the financial statements or any other matters till **5.00 p.m., Friday, July 28, 2023 email at agm.speaker@mafatlals.com**

REMOTE VOTING THROUGH ELECTRONIC MEANS

In terms of the provisions of section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the listing Regulations, the Company is providing facility of remote e-voting to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on **Thursday, July 27, 2023 (end of day)**, being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by KFintech or to vote at the e-AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.

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

i. Initial password is provided in the body of the email.

ii. Launch internet browser and type the URL: https://evoting.kfintech.com in the address bar.

iii. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./Dp ID Client ID will be your User ID. However, if you are already registered with KFintech for e-voting, you can use your

INSTRUCTIONS TO THE SHAREHOLDERS FOR E-VOTING (Contd.)

existing User ID and password for casting your votes.

iv. After entering the details appropriately, click on LOGIN.

v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$ etc.).it is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi. You need to login again with the new credentials.

vii. On successful login, the system will prompt you to select the EVENT i.e. Mafatlal Industries Limited.

viii. On the voting page the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR /'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.

ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat account.

x. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

xi. All Members including Institutional Investors, are encouraged to attend and vote at the AGM. Corporate/ institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/ authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/ are authorised to vote to the Scrutinizer through email at umesh@umeshvedcs.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'MAFA_EVENT No.'

xii. Members can cast their vote online from **Monday, July 31, 2023 (9.00 a.m.) till Wednesday, August 02, 2023 (5.00 p.m.)**. Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.

xiii. In case of any 'queries/grievances' you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the Download' section of https://evoting.kfintech.com or call KFintech on 1800 3454 001 (toll free).

As per the SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Individual Members (holding securities in demat mode) login through Depository

Login method for Individual members holding securities in demat mode is given below:

NSDL	CDSL
1. User already registered for IDeAS facility: URL: https://eservices.nsdl.com Click on the "Beneficial Owner" icon under 'IDeAS' section. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period	**1. Existing user who have opted for Easi / Easiest** URL: www.cdslindia.com Click on New System Myeasi Login with user id and password. Option will be made available to reach e-Voting page without any further authentication. Click on e-Voting service provider name to cast your vote.
2. User not registered for IDeAS e-Services To register click on link : https://eservices.nsdl.com Select "Register Online for IDeAS" Proceed with completing the required fields. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.	**2. User not registered for Easi/Easiest** Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Proceed with completing the required fields. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.

INSTRUCTIONS TO THE SHAREHOLDERS FOR E-VOTING (Contd.)

NSDL	CDSL
3. By visiting the e-Voting website of NSDL URL: https://www.evoting.nsdl.com/ Click on the icon "Login" which is available under 'Shareholder/ Member' section. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.	**3. By visiting the e-Voting website of CDSL** URL: www.cdslindia.com Provide demat Account Number and PAN No. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the e- Voting is in progress.

Individual Members (holding securities in demat mode) login through their depository participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Once logged in, you will be able to see the e-Voting option. Click on e-Voting option and you will be redirected to NSDL/ CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website

Members facing any technical issue – NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000.	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33.

Login method for non-individual Members and Members holding shares in physical form are given below :

Procedure and Instructions for remote e-voting are as under:

Initial password is provided in the body of the email.

Launch internet browser and type the URL: https://evoting.kfintech.com in the address bar.

Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with RTA for e-voting, you can use your existing User ID and password for casting your votes.

User ID: For Members holding shares in Demat Form:-

For NSDL: 8 character DP ID followed by 8 digits Client ID. For CDSL: 16 digits beneficiary ID. For CDSL: 16 digits beneficiary ID.

User ID: For members holding shares in Physical Form:

Event Number followed by Folio No. registered with the Company.

Password: Your unique password is sent via e-mail forwarded through the electronic notice.

Captcha: Please enter the verification code i.e. the alphabets and numbers in the exact way as they are displayed for security reasons

xv. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of **Thursday, July 27, 2023.** Any person who becomes a Member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. **Thursday, July 27, 2023,** may obtain the User ID and Password in the manner as mentioned below:

(a) If the mobile number of the Member is registered against Folio No./DP ID and Client ID, the Member may send SMS: MYEPWD

<space> E-Voting Event Number + Folio No. or DP ID and Client ID to No. 9212993399 Example for NSDL: MYEPWD <SPACE> IN12345612345678 Example for CDSL: MYEPWD <SPACE> 1402345612345678 Example for Physical: MYEPWD <SPACE>

XXXX1234567890

(b) If e-mail address or mobile number of the Member is registered against Folio No./DP ID and Client ID, then on the home page of https://evoting.kfintech.com, Member may click "Forgot Password" and

INSTRUCTIONS TO THE SHAREHOLDERS FOR E-VOTING (Contd.)

enter Folio No. or DP ID and Client ID and PAN to generate a new password.

(c) You may also send an e-mail request to einward.ris@kfintech.com

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

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

ASSISTANCE FOR AGM RELATED MATTERS:

Members who need assistance before or during the AGM, can connect KFintech Team contact Mr. Polisetty Srinivas Anand (Assistant Manager) at email:anand.polisetty@kfintech.com Tele. No.040 67161769 / 7842179322 OR Mr. Kotamaraju Naga Saran (Executive) at Email: saran.kotamaraju@kfintech.com Tele. No. 040 67161769 / 9666654696 OR the Company's officials Mr. Harsh Patel, Manager / Mr. Dinesh Patni, Asst. Manager at 079 26444404-06 or may email query at ahmedabad@mafatlals.com.

SINCE 1905

Mafatlal®

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