



MAFATLAL INDUSTRIES LIMITED

Regd. Office : 301-302, Heritage Horizon, 3rd Floor, off. C.G. Road,  
Navrangpura, Ahmedabad 380009. Email : [ahmedabad@mafatlals.com](mailto:ahmedabad@mafatlals.com)  
Tel. 079-26444404-06, Fax : 079 26444403  
Corp. Off. : Kaledonia Building, Off. No. 3, 6th Floor, Opp. Vijay Nagar Society,  
Sahar Road, Off Western Express Highway Andheri (East), Mumbai 400069.  
Tel. 022 67713800 Fax : 91 22 67713924/25  
CIN : L17110GJ1913PLC000035 Website : [www.mafatlals.com](http://www.mafatlals.com)

27 June, 2020

To,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalai Street, Fort,  
**Mumbai 400 001**  
Scrip Code: 500264

Dear Sirs,

**Re: Outcome of the Board Meeting – 27<sup>th</sup> June, 2020**

We wish to inform you that the following decisions have been taken at the Meeting of the Board of Directors of the Company held today:

1. The Board of Directors has approved the audited Standalone financial results of the Company for the year ended 31st March, 2020 as well as audited consolidated financial -results for the year ended 31st March,2020. Attached please find the Standalone Financial Results together with the Auditors Report thereon (Annexure 1) and Consolidated Financial Results together with Auditors Report thereon {Annexure 2} in accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements} Regulations, 2015 (SEBI LODR REGULATIONS).
2. Declaration of CFO regarding unmodified Opinion on the aforesaid Financial Results is attached (Annexure 3).
3. The Board of Directors regretted their inability to recommend any dividend on the equity shares of the Company for the year 2019-20 in view of the losses incurred by the Company and accordingly, no dividend will be proposed/declared at the ensuing Annual General Meeting.
4. In accordance with Regulation 42 of SEBI LODR REGULATIONS, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from Friday, 4<sup>th</sup> September, 2020 to Thursday, 10<sup>th</sup> September, 2020 (both days Inclusive) for the purpose of annual closing and ensuing 106<sup>th</sup> Annual General Meeting of the Company.
5. The Board has, as recommended by the Nomination & Remuneration Committee, appointed Mr. Priyavrata H Mafatlal (who is currently a Chief Executive Officer & Executive Director) as Managing Director & Chief Executive Officer (CEO) of the Company with effect from 1<sup>st</sup> July, 2020 while Mr. H A Mafatlal, Chairman of the Company will continue to guide the Senior Management and the MD & CEO of the Company.

The Meeting of the Board of Directors commenced at 5.02 P.M. and concluded at 7.45 P.M. Kindly take the above information on your records.



ARVIND MAFATLAL GROUP  
The ethics of excellence



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Thanking you,  
Yours faithfully,

**For Mafatlal Industries Limited,**

ASHISH  
ARUNKUMAR  
KARANJI

Digitally signed by  
ASHISH ARUNKUMAR  
KARANJI  
Date: 2020.06.27 19:52:59  
+05'30'

**Ashish A. Karanji**  
**Company Secretary**

End: as above.

c.c.: National Securities Depositors Ltd.  
4th Floor, "A" Wing, Trade World,  
Kamala Mills Compound,  
Senapati Bapat Marg,  
Lower Parel (West),  
Mumbai 400013.

c.c.: Central Depository Services (India) Limited  
16th floor, P.J. Towers,  
Dalal Street, Fort,  
Mumbai 400001.

c.c.: M/s. KFin Technologies Private Limited,  
Karvy Selenium Tower B, Plot No.31-32,  
Gachibowli, Financial District,  
Nanakaramguda,  
Hyderabad 500032.



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**MAFATLAL INDUSTRIES LIMITED**

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**STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020**

( Rs. in Lakhs )

Sr. No.	PARTICULARS	Quarter ended			Financial Year ended	
		31st March, 2020 Unaudited	31st December, 2019 Unaudited	31st March, 2019 Unaudited	31st March, 2020 Audited	31st March, 2019 Audited
1	<b>Revenue</b>					
a	Revenue from operations	20,875.10	24,450.52	24,676.80	100,535.45	102,368.06
b	Other Income ( Refer note no.6)	1,717.74	2,401.28	697.87	5,676.86	3,089.83
	<b>Total Revenue (a + b)</b>	<b>22,592.84</b>	<b>26,851.80</b>	<b>25,374.67</b>	<b>106,212.31</b>	<b>105,457.89</b>
2	<b>Expenses</b>					
a	Cost of materials consumed	4,905.50	10,032.69	7,100.66	29,157.59	32,626.10
b	Purchases of stock-in-trade	12,372.55	9,441.76	8,811.40	50,731.71	37,470.42
c	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,229.09)	(369.64)	3,480.22	(1,472.10)	3,823.14
d	Employee benefits expense	1,980.58	2,125.51	2,512.11	8,834.90	12,040.77
e	Finance costs (Net)	666.83	789.04	757.80	3,143.29	3,018.86
f	Depreciation and amortisation expense	453.52	430.75	900.58	1,717.98	3,595.66
g	Other expenses	3,150.03	3,763.43	4,733.57	13,975.69	22,528.18
	<b>Total expenses</b>	<b>22,299.92</b>	<b>26,213.54</b>	<b>28,296.34</b>	<b>106,089.06</b>	<b>115,103.13</b>
3	<b>Profit / (Loss) before exceptional items and tax ( 1 - 2 )</b>	<b>292.92</b>	<b>638.26</b>	<b>(2,921.67)</b>	<b>123.25</b>	<b>(9,645.24)</b>
4	<b>Exceptional items ( Refer note no. 7)</b>	(665.42)	(106.24)	(7,556.57)	(1,459.18)	(8,361.80)
5	<b>Profit / (Loss) before tax ( 3 - 4 )</b>	<b>(372.50)</b>	<b>532.02</b>	<b>(10,478.24)</b>	<b>(1,335.93)</b>	<b>(18,007.04)</b>
6	<b>Tax expense</b>					
a	Current tax	-	-	-	-	-
b	(Short) / Excess provision of tax for earlier years	(34.87)	-	-	(34.87)	-
c	Deferred tax (charge) / credit	-	-	-	-	-
	<b>Total tax expense (net)</b>	<b>(34.87)</b>	<b>-</b>	<b>-</b>	<b>(34.87)</b>	<b>-</b>
7	<b>Net Profit / (Loss) for the period (5 - 6)</b>	<b>(407.37)</b>	<b>532.02</b>	<b>(10,478.24)</b>	<b>(1,370.80)</b>	<b>(18,007.04)</b>
8	<b>Other comprehensive income</b>					
	Items that will not be reclassified to profit or loss					
	- Gain / (Loss) on Fair value of Investments	(9,045.76)	(2,725.22)	(4,450.02)	(20,605.35)	(11,015.13)
	- Actuarial Gain / (Loss) on Defined Benefit Plans (net of tax)	(226.90)	(19.73)	(173.95)	(290.25)	(150.25)
9	<b>Total comprehensive income for the period (7 + 8)</b>	<b>(9,680.03)</b>	<b>(2,212.93)</b>	<b>(15,102.21)</b>	<b>(22,266.40)</b>	<b>(29,172.42)</b>
10	Paid-up equity share capital (face value of Rs. 10/- per share)	1,391.28	1,391.28	1,391.28	1,391.28	1,391.28
11	Other Equity	-	-	-	27,064.67	49,307.76
12	<b>Earning / (Loss) per share [face value of Rs. 10/- per share] (not annualized)</b>					
	- Basic and Diluted	(2.93)	3.82	(75.31)	(9.85)	(129.43)

See accompanying notes to the Financial Results

**Notes :**

1	Statement of Standalone Assets and Liabilities	(Rs. In Lakhs)	
Particulars	As at 31st March, 2020 Audited	As at 31st March, 2019 Audited	
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Property, Plant and Equipment	13,154.75	13,210.21	
(b) Right-of-use Assets	66.83	-	
(c) Investment Properties	250.68	287.22	
(d) Intangible assets	346.34	362.15	
(e) Intangible assets under development	-	61.98	
(f) Investments in a subsidiary	27.50	27.50	
(g) Financial Assets			
(i) Investments	16,775.80	37,381.15	
(ii) Loans	481.18	471.74	
(iii) Others financial assets	566.74	671.63	
(h) Deferred tax assets (net)	1,227.96	1,227.96	
(i) Other non-current assets	94.19	498.22	
(j) Income tax asset (net)	1,701.46	1,831.26	
<b>Total Non - Current Assets</b>	<b>34,693.43</b>	<b>56,031.02</b>	
<b>Current Assets</b>			
(a) Inventories	10,605.69	10,496.54	
(b) Financial Assets			
(i) Investments	65.00	-	
(ii) Trade receivables	25,467.82	19,560.29	
(iii) Cash and cash equivalents	2,695.21	1,019.73	
(iv) Bank balances other than (iii) above	884.48	900.02	
(v) Loans	696.60	443.58	
(c) Other current assets	4,040.26	4,266.67	
(d) Assets held for sale	2,476.65	7,853.27	
<b>Total Current Assets</b>	<b>46,931.71</b>	<b>44,540.10</b>	
<b>Total Assets</b>	<b>81,625.14</b>	<b>100,571.12</b>	
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	1,391.22	1,391.22	
(b) Other Equity	27,064.67	49,307.76	
<b>Total equity</b>	<b>28,455.89</b>	<b>50,698.98</b>	
<b>Liabilities</b>			
<b>Non current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	6,239.24	5,633.74	
(ii) Other financial liabilities	601.38	591.00	
(b) Other non-current liabilities	401.49	544.16	
<b>Total Non - Current Liabilities</b>	<b>7,242.11</b>	<b>6,768.90</b>	
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	7,183.52	12,387.67	
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises; and	470.41	44.96	
- total outstanding dues of creditors other than micro enterprises and small enterprises	30,929.78	21,439.95	
(iii) Lease liabilities	74.20	-	
(iv) Other financial liabilities	2,204.34	3,427.57	
(b) Provisions	1,300.87	925.59	
(c) Other current liabilities	1,479.28	3,559.28	
(d) Income Tax Liabilities (Net)	141.24	290.16	
(e) Advances received against assets held for sale	2,143.50	1,028.06	
<b>Total Current Liabilities</b>	<b>45,927.14</b>	<b>43,103.24</b>	
<b>Total Liabilities</b>	<b>53,169.25</b>	<b>49,872.14</b>	
<b>Total Equity and Liabilities</b>	<b>81,625.14</b>	<b>100,571.12</b>	

**Notes :**

**2 Standalone Statement of Cash Flow for the year ended March 31, 2020**

**(Rs. In Lakhs)**

Particulars	Year ended 31st March, 2020 Audited	Year ended 31st March, 2019 Audited
<b>A. Cash flow from operating activities</b>		
<b>Net Profit /(Loss) before exceptional items and tax as per the Statement of Profit and Loss</b>	123.25	(9,645.24)
<b>Adjustments for:</b>		
Employee Stock Option Expense	23.31	30.94
Depreciation and amortisation	1,717.98	3,595.66
Exceptional items	600.85	7,302.40
Finance costs	3,143.29	3,018.86
Gain on sale of Property Plant and Equipment	(2,288.37)	(157.03)
Interest Income	(156.13)	(173.72)
Interest on income tax refund	-	(32.69)
Apportionment of government grant	(122.80)	(487.60)
Dividend income	(1,271.58)	(655.82)
Rental Income on Investment Properties	(406.04)	(519.60)
Utility and other receipts in respect of investment properties	(863.76)	(837.64)
Bad trade and other receivables/ Loans and advances written off (net)	7.00	2.35
Provision for doubtful debts/ advances	117.39	224.11
Net unrealised exchange loss /(gain)	(120.44)	91.95
<b>Operating profit before working capital changes</b>	<b>503.95</b>	<b>1,756.93</b>
<b>Changes in working capital</b>		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Inventories	(109.15)	5,770.51
Trade receivables	(5,929.49)	8,741.38
Current Loans and advances	(253.02)	4.09
Non current loans and advances	(41.61)	155.56
Other Current Financial Assets	(7.00)	1.12
Other Non Current Financial Assets	-	35.99
Other Bank Balances	15.54	744.63
Other Non Current Assets	412.84	(18.14)
Other Current Assets	226.41	(581.46)
<b>Adjustments for increase / ( decrease ) in operating liabilities:</b>		
Other Non Current Financial Liabilities	10.38	68.63
Other Non current Liabilities	12.30	(1,526.46)
Trade and other payables	9,961.75	(5,489.97)
Other Current Financial Liabilities (excluding current maturities of non current borrowings)	(0.05)	56.22
Current Provisions	85.03	(1,331.96)
Other Current Liabilities	(962.46)	795.30
<b>Changes in Working Capital</b>	<b>3,421.47</b>	<b>7,425.44</b>
<b>Cash generated from Operations</b>	<b>3,925.42</b>	<b>9,182.37</b>
Net income tax (paid) / refunds	(53.93)	(23.11)
<b>Net Cash inflow from operating activities before exceptional items</b>	<b>3,871.49</b>	<b>9,159.26</b>
<b>Exceptional Items</b>	<b>(1,459.18)</b>	<b>(8,361.80)</b>
<b>Net Cash inflow from operating activities</b>	<b>2,412.31</b>	<b>797.46</b>
<b>B. Cash flow from investing activities</b>		
Purchase of Property, Plant and Equipment including capital advances	(128.21)	(1,085.03)
Proceeds from disposal of Property, Plant and Equipment / Assets held for sale	5,753.55	510.61
Purchase of Intangible Assets including intangible under development (Purchase) / Sales Proceeds of investments	(11.00)	(67.12)
Deposits Matured / (Placed) with banks	(65.00)	1,764.45
Deposits Matured / (Placed) with banks	104.89	657.12
Interest received	156.13	173.72
Dividend income	1,271.58	655.82
Rental Income on Investment Properties	406.04	519.60
Utility and other receipts in respect of investment properties	863.76	837.64
<b>Net cash inflow from investing activities</b>	<b>8,351.74</b>	<b>3,966.81</b>
<b>C. Cash flow from financing activities</b>		
Non current Borrowings taken	3,813.00	275.96
Interest Paid	(3,155.23)	(2,995.41)
Non current borrowings repaid	(4,369.40)	(2,380.39)
Current borrowings taken / (repaid) (Net)	(5,204.14)	(558.17)
Principal element of lease payments	(172.80)	-
<b>Net cash outflow from financing activities</b>	<b>(9,088.57)</b>	<b>(5,658.01)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>1,675.48</b>	<b>(893.74)</b>
Cash and cash equivalents at the beginning of the period	1,019.73	1,913.47
<b>Cash and cash equivalents at the end of the period</b>	<b>2,695.21</b>	<b>1,019.73</b>

**NOTES:**

3. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 27<sup>th</sup> June 2020.
4. Figures for the quarter ended 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2019 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the relevant financial year.
5. During the quarter and year ended 31<sup>st</sup> March, 2020, there is no change in the status of the litigation in respect of Company's entitlement for Transfer of Development Rights against surrender of part of leasehold land at Mazagaon to Municipal Corporation of Greater Mumbai as compared to 31<sup>st</sup> March, 2019.
6. Other income includes net profit on sale of residential property and surplus land parcels aggregating to Rs. 605.75 lakhs for the quarter and Rs. 2,288.37 lakhs for the year ended 31<sup>st</sup> March 2020 (quarter and year ended 31<sup>st</sup> March, 2019 - Nil)
7. Consequent to strategic initiatives undertaken by the Company to substantially scale down Navsari operations comprising of denim so as to improve its financial position, the Company had written-down / recognised provisions pertaining to carrying value of Property, Plant and Equipment (classified as held for sale), one-time employees liabilities and certain current / non-current assets of denim operations aggregating to Rs. 8,361.80 lakhs and disclosed the same as exceptional items for the year ended 31<sup>st</sup> March, 2019.

In continuation of the same, in the quarter and year ended 31<sup>st</sup> March, 2020, the Company has sold certain assets held for sale and inventories at Navsari. Manufacturing operations at Navsari comprising of denim has been closed. However, activities such as stock liquidation, collection of receivables and routine maintenance of plant are being carried on.

The impact of the above-mentioned activities has been disclosed as exceptional items, as shown below:

	Quarter ended 31 <sup>st</sup> March, 2020	Quarter ended 31 <sup>st</sup> December, 2019	Year ended 31 <sup>st</sup> March, 2020
One-time employee's settlement	-	-	736.24
Net Loss / (Gain) on Assets held for sale, Inventories and write back of provision for doubtful debts	665.42	106.24	722.94
Total	665.42	106.24	1,459.18

Consequent to the above-mentioned initiatives undertaken by the Management, results for the quarter and year ended 31<sup>st</sup> March, 2020 are not comparable with the corresponding period of the previous year.

8. Effective 1<sup>st</sup> April, 2019, the Company has adopted Ind AS 116 'Leases', w.r.t. lease contracts outstanding as on 1<sup>st</sup> April, 2019 using the modified retrospective method. Accordingly, financial results for the quarter and year ended 31<sup>st</sup> March, 2019 have not been retrospectively adjusted. This has resulted in recognising a right-of-use asset of Rs. 239.63 lakhs and a corresponding lease liability of Rs. 239.63 lakhs as at 1<sup>st</sup> April, 2019. The effect of this adoption on the Profit / (Loss) for the period and the Earnings / (Loss) per share is not significant and has been given effect in these results.

In the Statement of Profit and Loss for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.

9. The outbreak of Covid-19 has severely impacted many businesses around the world. In view of the various directives of Central Government/ Concerned State Governments relating to lockdown, the Company, on 22<sup>nd</sup> March, 2020, decided to temporarily suspend manufacturing operations at its facilities, after following requisite safety protocols. The Company has since recommenced its operations at plant location from 14<sup>th</sup> May, 2020 in a phased manner. Management has carried out a detailed assessment of the impact of Covid-19 on its business operations and liquidity position, and on the recoverability and carrying values of its assets, including Property, Plant and Equipment, Investment Properties, Intangible assets, Assets held for sale, Trade receivables, Inventories, Investments and Deferred tax assets and has concluded that there are no significant impact on its financial results / position as at 31<sup>st</sup> March, 2020. The assessment of the liquidity position made by the Management is highly dependent on debtor's recovery, inventory liquidation & recovery of proceeds from assets held for sale which has also been impacted consequent to Covid-19 outbreak. Based on assessment of the management, an adequate provision for doubtful debts and slow moving / non-moving inventory has been recognized. As the situation is constantly evolving, Management has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of the Covid-19 pandemic in these financial results. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.
10. The Company has identified Textile Business 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.
11. Previous period's figures have been reclassified, wherever necessary, to correspond with those of the current period.

In terms of our report attached

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

**JEETENDRA** Digitally signed by  
JEETENDRA  
**MIRCHANDA** MIRCHANDANI  
NI Date: 2020.06.27  
18:10:12 +05'30'

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

**For and on behalf of the Board of Directors**

**For Mafatlal Industries Limited**

**Hrishikesh** Digitally signed  
by Hrishikesh  
**Arvind** Arvind Mafatlal  
**Mafatlal** Date: 2020.06.27  
17:50:24 +05'30'

**H. A. Mafatlal**  
Chairman  
(DIN:00009872)  
Mumbai, June 27, 2020

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

### To the Board of Directors of Mafatlal Industries Limited

### Report on the Audit of Standalone Financial Results

#### Opinion

1. We have audited the standalone annual financial results of Mafatlal Industries Limited (hereinafter referred to as the 'Company') for the year ended March 31, 2020 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial results:
  - (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
  - (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Company for the year ended March 31, 2020 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter

4. We draw attention to Note 9 to the Standalone Financial Results for the quarter and year ended March 31, 2020, which describes the management's assessment of the financial impact consequent to outbreak of Coronavirus (Covid-19) and uncertainties due to the lock-down and other restrictions related to Covid-19. In view of highly uncertain economic environment, a definitive assessment of the impact of the events in the subsequent periods on the balance sheet as of the year end is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Price Waterhouse Chartered Accountants LLP, 7th Floor, Tower A – Wing 1, Business Bay, Airport Road, Yerwada, Pune – 411 006

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Registered office and Head Office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi – 110002

Price Waterhouse (a Partnership Firm) Converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Mafatlal Industries Limited  
Report on the Audit of Standalone Financial Results  
Page 2 of 3

### **Board of Directors' Responsibilities for the Standalone Financial Results**

5. These Standalone financial results have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net loss and other comprehensive income and other financial information of the Company and the standalone statement of assets and liabilities and the standalone statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for 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 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 standalone 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 standalone financial results by the Directors of the Company, as aforesaid.
6. In preparing the standalone financial results, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

8. Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 results.
9. 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 standalone financial results, 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.

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Mafatlal Industries Limited  
Report on the Audit of Standalone Financial Results  
Page 3 of 3

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 12 below)
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
  - Conclude on the appropriateness of the Board of Directors 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 Company 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 results 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 results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance of the Company 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. 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.

### Other Matters

11. The Financial Results include the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which are neither subject to limited review nor audited by us.
12. The standalone annual financial results dealt with by this report has been prepared for the express purpose of filing with Bombay Stock Exchange (BSE). These results are based on and should be read with the audited standalone financial statements of the Company for the year ended March 31, 2020 on which we issued an unmodified audit opinion vide our report dated June 27, 2020.

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

**JEETENDRA**  
**MIRCHANDANI**

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Jeetendra Mirchandani  
Partner

Membership Number: 048125  
UDIN: 20048125AAAAES4762

Place: Pune  
Date: June 27, 2020

**MAFATAL INDUSTRIES LIMITED**

Regd. Office: 301-302, Heritage Horizon, 3rd Floor, Off C. G. Road, Navrangpura, Ahmedabad - 380 009.  
Tel:079-26444404-06, Fax:079-26444403, Website:www.mafatals.com,  
Email:ahmedabad@mafatals.com, CIN L17110GJ1913PLC000035

**CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2020**

(Rs. in Lakhs )

Sr. No.	PARTICULARS	Quarter ended			Financial Year ended	
		31st March, 2020 Unaudited	31st December, 2019 Unaudited	31st March, 2019 Unaudited	31st March, 2020 Audited	31st March, 2019 Audited
1	<b>Revenue</b>					
a	Revenue from operations	20,879.18	24,453.83	24,680.81	100,552.94	102,385.36
b	Other Income ( Refer note no.7)	1,718.25	2,401.28	698.36	5,677.38	3,090.33
	<b>Total Revenue (a + b)</b>	<b>22,597.43</b>	<b>26,855.11</b>	<b>25,379.17</b>	<b>106,230.32</b>	<b>105,475.69</b>
2	<b>Expenses</b>					
a	Cost of materials consumed	4,905.50	10,032.69	7,100.66	29,157.59	32,626.10
b	Purchases of stock-in-trade	12,372.55	9,441.76	8,811.40	50,731.71	37,470.42
c	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,229.09)	(369.64)	3,480.22	(1,472.10)	3,823.14
d	Employee benefits expense	1,987.28	2,130.12	2,517.88	8,856.36	12,057.04
e	Finance costs (Net)	666.84	789.04	757.80	3,143.29	3,018.86
f	Depreciation and amortization expense	453.52	430.75	900.58	1,717.98	3,595.66
g	Other expenses	3,147.91	3,762.13	4,732.30	13,972.24	22,529.71
	<b>Total expenses</b>	<b>22,304.51</b>	<b>26,216.85</b>	<b>28,300.84</b>	<b>106,107.07</b>	<b>115,120.93</b>
3	<b>Profit / (Loss) before exceptional items ( 1 - 2 )</b>	<b>292.92</b>	<b>638.26</b>	<b>(2,921.67)</b>	<b>123.25</b>	<b>(9,645.24)</b>
4	<b>Exceptional items ( Refer note no. 8 )</b>	(665.42)	(106.24)	(7,556.57)	(1,459.18)	(8,361.80)
5	<b>Profit / (Loss) before tax ( 3 - 4 )</b>	<b>(372.50)</b>	<b>532.02</b>	<b>(10,478.24)</b>	<b>(1,335.93)</b>	<b>(18,007.04)</b>
6	<b>Tax expense: Credit / (Charge)</b>					
a	Current tax	-	-	-	-	-
b	(Short) / Excess provision of tax for earlier years	(34.87)	-	-	(34.87)	-
c	Deferred tax (charge) / credit	-	-	-	-	-
	<b>Tax expense Credit / (Charge) (Net)</b>	<b>(34.87)</b>	<b>-</b>	<b>-</b>	<b>(34.87)</b>	<b>-</b>
7	<b>Net Profit / (Loss) for the period (5 - 6)</b>	<b>(407.37)</b>	<b>532.02</b>	<b>(10,478.24)</b>	<b>(1,370.80)</b>	<b>(18,007.04)</b>
8	Other comprehensive income					
	Items that will not be reclassified to profit or loss					
	- Gain / (Loss) on Fair value of Investments	(9,045.76)	(2,725.22)	(4,450.02)	(20,605.35)	(11,015.13)
	- Actuarial Gain / (Loss) on Defined Benefit Obligations (net of tax)	(226.90)	(19.73)	(173.95)	(290.25)	(150.25)
9	<b>Total comprehensive income for the period (7 + 8)</b>	<b>(9,680.03)</b>	<b>(2,212.93)</b>	<b>(15,102.21)</b>	<b>(22,266.40)</b>	<b>(29,172.42)</b>
10	Profit / (Loss) is attributable to					
	Owners of Mafatal Industries Limited	(407.37)	532.02	(10,478.24)	(1,370.80)	(18,007.04)
	Non Controlling Interest	-	-	-	-	-
		(407.37)	532.02	(10,478.24)	(1,370.80)	(18,007.04)
11	Other Comprehensive Income is attributable to					
	Owners of Mafatal Industries Limited	(9,272.66)	(2,744.95)	(4,623.97)	(20,895.60)	(11,165.38)
	Non Controlling Interest	-	-	-	-	-
		(9,272.66)	(2,744.95)	(4,623.97)	(20,895.60)	(11,165.38)
12	Total Comprehensive Income is attributable to					
	Owners of Mafatal Industries Limited	(9,680.03)	(2,212.93)	(15,102.21)	(22,266.40)	(29,172.42)
	Non Controlling Interest	-	-	-	-	-
		(9,680.03)	(2,212.93)	(15,102.21)	(22,266.40)	(29,172.42)
13	Paid-up equity share capital (face value of Rs. 10/- per share)	1,391.28	1,391.28	1,391.28	1,391.28	1,391.28
14	Other Equity	-	-	-	27,071.60	49,314.69
15	Earning / (Loss) per share [face value of Rs. 10/- per share] (not annualized)					
	- Basic and Diluted	(2.93)	3.82	(75.31)	(9.85)	(129.43)

See accompanying notes to the Financial Results

**Notes :**

1

**Consolidated Statement of Assets and Liabilities****(Rs. In Lakhs)**

Particulars	As at 31st March, 2020 Audited	As at 31st March, 2019 Audited
<b>ASSETS</b>		
<b>Non Current Assets</b>		
(a) Property, Plant and Equipment	13,154.75	13,210.21
(b) Right-of-use Assets	66.83	-
(c) Investment Property	250.68	287.22
(d) Intangible assets	346.34	362.15
(e) Intangible assets under development	-	61.98
(f) Financial Assets		
(i) Investments	16,775.80	37,381.15
(ii) Trade Receivables	33.20	33.20
(iii) Loans	481.18	471.74
(iv) Others financial assets	566.74	671.63
(g) Deferred tax assets (net)	1,227.96	1,227.96
(h) Other non-current assets	94.19	498.22
(i) Income tax asset (net)	1,701.46	1,831.26
<b>Total Non - Current Assets</b>	<b>34,699.13</b>	<b>56,036.72</b>
<b>Current Assets</b>		
(a) Inventories	10,605.69	10,496.54
(b) Financial Assets		
(i) Investments	65.00	-
(ii) Trade receivables	25,470.16	19,562.80
(iii) Cash and cash equivalents	2,697.26	1,020.02
(iv) Bank balances other than (ii) above	891.48	907.46
(v) Loans	696.60	443.58
(c) Other current assets	4,042.43	4,269.54
(d) Assets held for sale	2,476.65	7,853.27
<b>Total Current Assets</b>	<b>46,945.27</b>	<b>44,553.21</b>
<b>Total Assets</b>	<b>81,644.40</b>	<b>100,589.93</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share capital	1,391.22	1,391.22
<b>Other Equity</b>		
(b) Other equity	27,071.60	49,314.69
(c) Non Controlling Interest	4.69	4.69
<b>Total equity</b>	<b>28,467.51</b>	<b>50,710.60</b>
<b>Liabilities</b>		
<b>Non current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	6,239.24	5,633.74
(ii) Other financial liabilities	606.17	595.79
(b) Other non-current liabilities	401.49	544.16
<b>Total Non - Current Liabilities</b>	<b>7,246.90</b>	<b>6,773.69</b>
<b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	7,183.52	12,387.67
(ii) Trade payables		
- total outstanding dues of micro enterprises and small enterprises; and	470.41	44.96
- total outstanding dues of creditors other than micro enterprises and small enterprises	30,928.35	21,438.72
(iii) Lease liabilities	74.20	-
(iv) Other financial liabilities	2,204.34	3,427.57
(b) Provisions	1,303.47	927.31
(c) Other current liabilities	1,480.96	3,561.19
(d) Income Tax Liabilities (Net)	141.24	290.16
(e) Liabilities directly associated with assets held for sale	2,143.50	1,028.06
<b>Total Current Liabilities</b>	<b>45,929.99</b>	<b>43,105.64</b>
<b>Total Liabilities</b>	<b>53,176.89</b>	<b>49,879.33</b>
<b>Total Equity and Liabilities</b>	<b>81,644.40</b>	<b>100,589.93</b>

**Notes :**

**2 Consolidated Statement of Cash Flow for the year ended March 31, 2020**

(Rs. In Lakhs)

Particulars	Year ended 31st March, 2020 Audited	Year ended 31st March, 2019 Audited
<b>A. Cash flow from operating activities</b>		
<b>Net Profit /(Loss) before exceptional items and tax as per the Statement of Profit and Loss</b>	123.25	(9,645.24)
<b>Adjustments for:</b>		
Employee Stock Option Expense	23.31	30.94
Depreciation and amortisation expenses	1,717.98	3,595.66
Exceptional items	600.85	7,302.40
Finance costs	3,143.29	3,018.86
Gain on sale of Property Plant and Equipment	(2,288.37)	(157.03)
Interest Income	(156.66)	(174.21)
Interest on income tax refund	-	(32.69)
Apportionment of government grant	(122.80)	(487.60)
Dividend income	(1,271.58)	(655.82)
Rental Income on Investment Properties	(406.04)	(519.60)
Utility and other receipts in respect of investment properties	(863.76)	(837.64)
Bad trade and other receivables/ Loans and advances written off (net)	7.00	2.35
Provision for doubtful debts/ advances	117.39	224.11
Net unrealised exchange loss /(gain)	(120.44)	91.95
<b>Operating profit before working capital changes</b>	<b>503.42</b>	<b>1,756.44</b>
<i>Changes in working capital</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(109.15)	5,770.51
Trade receivables	(5,929.41)	8,739.89
Current Loans and advances	(253.02)	5.01
Non current loans and advances	(41.61)	155.56
Other Current Financial Assets	(7.00)	(0.58)
Other Non Current Financial Assets	-	35.99
Other Bank Balances	15.54	744.63
Other Non Current Assets	412.84	(18.14)
Other Current Assets	227.54	(581.46)
<i>Adjustments for increase / ( decrease ) in operating liabilities:</i>		
Other Non Current Financial Liabilities	10.38	68.54
Other Non current Liabilities	12.30	(1,526.44)
Trade and other payables	9,961.65	(5,489.77)
Other Current Financial Liabilities (excluding current maturities of non current borrowings)	(0.05)	56.22
Current Provisions	85.82	(1,331.04)
Other Current Liabilities	(962.60)	795.30
<b>Changes in Working Capital</b>	<b>3,423.23</b>	<b>7,424.22</b>
<b>Cash generated from Operations</b>	<b>3,926.65</b>	<b>9,180.66</b>
Net income tax (paid) / refunds	(53.93)	(23.11)
<b>Net Cash inflow from operating activities before exceptional items</b>	<b>3,872.72</b>	<b>9,157.55</b>
<b>Exceptional Items</b>	<b>(1,459.18)</b>	<b>(8,361.80)</b>
<b>Net Cash inflow from operating activities</b>	<b>2,413.54</b>	<b>795.75</b>
<b>B. Cash flow from investing activities</b>		
Purchase of Property, Plant and Equipment including capital advances	(128.21)	(1,085.05)
Proceeds from disposal of Property, Plant and Equipment / Assets held for sale	5,753.55	510.61
Purchase of Intangible Assets including intangible under development	(11.00)	(67.12)
(Purchase) / Sales Proceeds of investments	(65.00)	1,764.45
Deposits Matured / (Placed) with banks	104.89	657.12
Interest received	156.66	174.21
Dividend income	1,271.58	655.82
Rental Income on Investment Properties	406.04	519.60
Utility and other receipts in respect of investment properties	863.76	837.64
<b>Net cash inflow from investing activities</b>	<b>8,352.27</b>	<b>3,967.28</b>
<b>C. Cash flow from financing activities</b>		
Non current Borrowings taken	3,813.00	275.94
Interest Paid	(3,155.23)	(2,995.41)
Non current borrowings repaid	(4,369.40)	(2,380.39)
Current borrowings taken / (repaid) (Net)	(5,204.14)	(558.17)
Principal element of lease payments	(172.80)	-
<b>Net cash outflow from financing activities</b>	<b>(9,088.57)</b>	<b>(5,658.03)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>1,677.24</b>	<b>(895.00)</b>
Cash and cash equivalents at the beginning of the period	1,020.02	1,915.02
<b>Cash and cash equivalents at the end of the period</b>	<b>2,697.26</b>	<b>1,020.02</b>

## NOTES:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 27<sup>th</sup> June, 2020.
- The consolidated results includes the financial results of one subsidiary - Mafatlal Services Limited (MSL).
- Figures for the quarter ended 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the relevant financial year.
- During the quarter and year ended 31<sup>st</sup> March, 2020, there is no change in the status of the litigation in respect of Company's entitlement for Transfer of Development Rights against surrender of part of leasehold land at Mazagaon to Municipal Corporation of Greater Mumbai as compared to 31<sup>st</sup> March, 2019.
- Other income includes net profit on sale of residential property and surplus land parcels aggregating to Rs. 605.75 lakhs for the quarter and Rs. 2,288.37 lakhs for the year ended 31<sup>st</sup> March, 2020 (quarter and year ended 31<sup>st</sup> March, 2019 - Nil)
- Consequent to strategic initiatives undertaken by the Company to substantially scale down Navsari operations comprising of denim so as to improve its financial position, the Company had written-down / recognised provisions pertaining to carrying value of Property, Plant and Equipment (classified as held for sale), one-time employees liabilities and certain current / non-current assets of denim operations aggregating to Rs. 8,361.80 lakhs and disclosed the same as exceptional items for the year ended 31<sup>st</sup> March, 2019.

In continuation of the same, in the quarter and year ended 31<sup>st</sup> March, 2020, the Company has sold certain assets held for sale and inventories at Navsari. Manufacturing operations at Navsari comprising of denim has been closed. However, activities such as stock liquidation, collection of receivables and routine maintenance of plant are being carried on.

The impact of the above-mentioned activities has been disclosed as exceptional items, as shown below:

(Rs. In lakhs)

	Quarter ended 31 <sup>st</sup> March, 2020	Quarter ended 31 <sup>st</sup> December, 2019	Year ended 31 <sup>st</sup> March, 2020
One-time employee's settlement	-	-	736.24
Net Loss / (Gain) on Assets held for sale, Inventories and write back of provision for doubtful debts	665.42	106.24	722.94
Total	665.42	106.24	1,459.18

Consequent to the above-mentioned initiatives undertaken by the Management, results for the quarter and year ended 31<sup>st</sup> March, 2020 are not comparable with the corresponding period of the previous year.

- Effective 1<sup>st</sup> April, 2019, the Company has adopted Ind AS 116 'Leases', w.r.t. lease contracts outstanding as on 1<sup>st</sup> April, 2019 using the modified retrospective method. Accordingly, financial results for the quarter and year ended 31<sup>st</sup> March, 2019 have not been retrospectively adjusted. This has resulted in recognising a right-of-use asset of Rs. 239.63 lakhs and a corresponding lease liability of Rs. 239.63 lakhs as at 1<sup>st</sup> April, 2019. The effect of this adoption on the Profit / (Loss) for the period and the Earnings / (Loss) per share is not significant and has been given effect in these results.

In the Statement of Profit and Loss for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.

10. The outbreak of Covid-19 has severely impacted many businesses around the world. In view of the various directives of Central Government/ Concerned State Governments relating to lockdown, the Company, on 22<sup>nd</sup> March, 2020, decided to temporarily suspend manufacturing operations at its facilities, after following requisite safety protocols. The Company has since recommenced its operations at plant location from 14<sup>th</sup> May, 2020 in a phased manner. Management has carried out a detailed assessment of the impact of Covid-19 on its business operations and liquidity position, and on the recoverability and carrying values of its assets, including Property, Plant and Equipment, Investment Properties, Intangible assets, Assets held for sale, Trade receivables, Inventories, Investments and Deferred tax assets and has concluded that there are no significant impact on its financial results / position as at 31<sup>st</sup> March, 2020. The assessment of the liquidity position made by the Management is highly dependent on debtor's recovery, inventory liquidation & recovery of proceeds from assets held for sale which has also been impacted consequent to Covid-19 outbreak. Based on assessment of the management, an adequate provision for doubtful debts and slow moving / non-moving inventory has been recognized. As the situation is constantly evolving, Management has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of the Covid-19 pandemic in these financial results. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.
11. The Company has identified Textile Business 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.
12. Previous period's figures have been reclassified, wherever necessary, to correspond with those of the current period.

In terms of our report attached

**For Price Waterhouse Chartered Accountants LLP**

Registration No.012754N / N500016

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**Jeetendra Mirchandani**

Partner

Membership No. 048125

Pune, June 27, 2020

**For and on behalf of the Board of Directors**

**For Mafatlal Industries Limited**

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Hrishikesh  
**h Arvind** Arvind Mafatlal  
**Mafatlal** Date: 2020.06.27  
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**H. A. Mafatlal**

Chairman

(DIN:00009872)

Mumbai, June 27, 2020

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

### To the Board of Directors of Mafatlal Industries Limited

### Report on the Audit of Consolidated Financial Results

#### Opinion

1. We have audited the consolidated annual financial results of Mafatlal Industries Limited (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiaries together referred to as "the Group"), for the year ended March 31, 2020 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations'). Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended March 31, 2019, as reported in these financial results have been approved by the Holding Company's Board of Directors, but have not been subjected to review.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiary, the aforesaid consolidated financial results:
  - (i) include the annual financial results of Mafatlal Services Limited
  - (ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
  - (iii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Group for the year ended March 31, 2020 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Results' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph 12 below, is sufficient and appropriate to provide a basis for our opinion.

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Price Waterhouse (a Partnership Firm) Converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Mafatlal Industries Limited  
Report on the Audit of Consolidated Financial Results  
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### Emphasis of Matter

4. We draw attention to Note 10 to the Consolidated Financial Results for the year ended March 31, 2020, which describes the management's assessment of the financial impact consequent to outbreak of Coronavirus (Covid-19) and uncertainties due to the lock-down and other restrictions related to Covid-19. In view of highly uncertain economic environment, a definitive assessment of the impact of the events in the subsequent periods on the balance sheet as of the year end is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

### Board of Directors' Responsibilities for the Consolidated Financial Results

5. These Consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net loss and other comprehensive income and other financial information of the Group and the consolidated statement of assets and liabilities and the consolidated statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 of 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 results by the Directors of the Holding Company, as aforesaid.
6. In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group and to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
7. 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 Results

8. Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 results.

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Mafatlal Industries Limited  
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9. 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 results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 15 below)
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
  - Conclude on the appropriateness of the Board of Directors 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 results 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 results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, 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.
10. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. 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.
11. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Mafatlal Industries Limited  
Report on the Audit of Consolidated Financial Results  
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### Other Matters

12. We did not audit the financial statements of subsidiary – Mafatlal Services Limited included in the consolidated financial results, whose financial statements reflect total assets of Rs. 48.45 lakhs and net assets of Rs. 39.13 lakhs as at March 31, 2020, total revenue of Rs. 31.53 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of Nil and net cash flows amounting to Rs. 1.75 lakhs for the year ended March 31, 2020, as considered in the consolidated financial results. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, based solely on the reports of the other auditors.
13. Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.
14. The Financial Results include the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which are neither subject to limited review nor audited by us.
15. The consolidated annual financial results dealt with by this report have been prepared for the express purpose of filing with Bombay Stock Exchange (BSE). These results are based on and should be read with the audited consolidated financial statements of the group, for the year ended March 31, 2020 on which we have issued an unmodified audit opinion vide our report dated June 27, 2020.

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

JEETENDRA  
MIRCHANDANI

Digitally signed by  
JEETENDRA MIRCHANDANI  
Date: 2020.06.27 18:13:57  
+05'30'

Jeetendra Mirchandani  
Partner

Membership Number: 048125  
UDIN: 20048125AAAAET8013

Place: Pune  
Date: June 27, 2020

June 27, 2020

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

**BSE Code: 500264**

Dear Sir,

**Sub: Declaration pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended till date**

We hereby declare that the Statutory Auditors of the Company, Price Waterhouse Chartered Accountants LLP have issued an unmodified Audit Report on Audited Financial Results of the Company (Stand alone and Consolidated) for the year ended 31<sup>st</sup> March, 2020.

This declaration is given in compliance with Regulation 33(3)(d) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, as amended.

You are requested to take the above on record.

Thanking you,

Yours faithfully,  
**For Mafatlal Industries Limited**

MILAN  
SHAH

Digitally signed  
by MILAN SHAH  
Date: 2020.06.27  
18:44:08 +05'30'

**Milan Shah**  
**Chief Financial Officer**