

MAFATLAL INDUSTRIES LIMITED

**Corporate Office :** Kaledonia, Office No. 3, 6th Floor,  
Sahar Road, Andheri ( East ), Mumbai - 400 069. India  
Tel.: 91 22 6771 3800 Fax: 91 22 6771 3924 / 25  
website: www.mafatlals.com Email: marketing@mafatlals.com  
**Regd. Office :** 301-302, Heritage Horizon, Third Floor,  
off. C. G. Road, Ahmedabad. 380 009. India  
Tel: 91 79 2644 4404/06 F: 91 79 2644 4403  
Email: ahmedabad@mafatlals.com  
CIN: L17110GJ1913PLC000035

**February 13, 2020**

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

**BSE Code: 500264**

Dear Sirs,

**Re: Un-audited Financial Results of the Company for the Quarter & Nine months ended 31<sup>st</sup> December, 2019**

As required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Un-Audited Financial Results of the Company (Stand alone and Consolidated ) for the quarter and nine months ended 31<sup>st</sup> December, 2019 together with the Limited Review Report thereon from the Statutory Auditors, M/s. Price Waterhouse Chartered Accountants LLP.

The Board of Directors of the Company at their Meeting held today has approved the same. The Meeting of the Board of Directors commenced at 12.30 P.M. and concluded at 3.45 PM

Thanking you,

Yours faithfully,  
**FOR MAFATLAL INDUSTRIES LIMITED**

  
**ASHISH A KARANJI**  
**COMPANY SECRETARY**  
End: A/A




**ARVIND MAFATLAL GROUP**  
The ethics of excellence

# Price Waterhouse Chartered Accountants LLP

The Board of Directors  
M/s. Mafatlal Industries Limited  
6th Floor, 'B' Wing, Kaledonia Building,  
Sahar Road, Opp. Vijay Nagar Society,  
Andheri (East), Mumbai-400 069

1. We have reviewed the unaudited standalone financial results of Mafatlal Industries Limited (the "Company") for the quarter and nine months ended December 31, 2019 which are included in the accompanying 'Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months Ended December 31, 2019', (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Jeetendra Mirchandani  
Partner

Membership Number: 48125

UDIN: 20048125AAAADN8748

Mumbai  
February 13, 2019

Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)  
Mumbai - 400 028

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Registered office and Head office: Suchota Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

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)

**MAFATLAL 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.mafatlals.com,  
Email:ahmedabad@mafatlals.com, CIN L17110GJ1913PLC000035

**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2019**

(Rs. in Lakhs)

Sr. No.	PARTICULARS	Quarter ended			Nine Months ended		Financial Year ended
		31st December, 2019 Unaudited	30th September, 2019 Unaudited	31st December, 2018 Unaudited	31st December, 2019 Unaudited	31st December, 2018 Unaudited	31st March, 2019 Audited
<b>1</b>	<b>Revenue</b>						
a	Revenue from operations	24,450.52	28,005.63	23,053.78	79,660.34	77,691.26	1,02,368.06
b	Other Income ( Refer note no.3)	2,401.28	1,155.83	538.78	3,959.13	2,391.96	3,089.83
	<b>Total Revenue (a + b)</b>	<b>26,851.80</b>	<b>29,161.46</b>	<b>23,592.56</b>	<b>83,619.47</b>	<b>80,083.22</b>	<b>1,05,457.89</b>
<b>2</b>	<b>Expenses</b>						
a	Cost of materials consumed	10,032.69	7,252.56	7,643.88	24,252.09	25,525.44	32,626.10
b	Purchases of stock-in-trade	9,441.76	15,873.65	8,753.99	38,359.16	28,659.02	37,470.42
c	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(369.64)	(569.46)	(154.64)	(242.99)	342.92	3,823.14
d	Employee benefits expense	2,125.51	2,241.22	3,007.72	6,854.31	9,528.66	12,040.77
e	Finance costs (Net)	789.04	858.57	764.54	2,476.46	2,261.06	3,018.86
f	Depreciation and amortisation expense	430.75	418.87	899.27	1,264.46	2,695.08	3,595.66
g	Other expenses	3,763.43	3,304.97	5,494.94	10,825.69	17,794.61	22,528.18
	<b>Total expenses</b>	<b>26,213.54</b>	<b>29,380.38</b>	<b>26,409.70</b>	<b>83,789.18</b>	<b>86,806.79</b>	<b>1,15,103.13</b>
<b>3</b>	<b>Profit / (Loss) before exceptional items and tax ( 1 - 2 )</b>	<b>638.26</b>	<b>(218.92)</b>	<b>(2,817.14)</b>	<b>(169.71)</b>	<b>(6,723.57)</b>	<b>(9,645.24)</b>
<b>4</b>	<b>Exceptional items ( Refer note no. 4)</b>	(106.24)	(756.35)	-	(793.77)	(805.23)	(8,361.80)
<b>5</b>	<b>Profit / (Loss) before tax ( 3 - 4 )</b>	<b>532.02</b>	<b>(975.27)</b>	<b>(2,817.14)</b>	<b>(963.48)</b>	<b>(7,528.80)</b>	<b>(18,007.04)</b>
<b>6</b>	<b>Tax expense</b>						
a	Current tax	-	-	-	-	-	-
b	Deferred tax (charge) / credit	-	-	-	-	-	-
	<b>Total tax expense (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>7</b>	<b>Net Profit / (Loss) for the period (5 - 6)</b>	<b>532.02</b>	<b>(975.27)</b>	<b>(2,817.14)</b>	<b>(963.48)</b>	<b>(7,528.80)</b>	<b>(18,007.04)</b>
<b>8</b>	<b>Other comprehensive income</b>						
	Items that will not be reclassified to profit or loss						
	- Gain / (Loss) on Fair value of Investments	(2,725.22)	(1,362.76)	3,574.76	(11,559.59)	(6,565.11)	(11,015.13)
	- Actuarial Gain / (Loss) on Defined Benefit Plans (net of tax)	(19.73)	(19.73)	8.33	(63.35)	23.70	(150.25)
<b>9</b>	<b>Total comprehensive income for the period (7 + 8)</b>	<b>(2,212.93)</b>	<b>(2,357.76)</b>	<b>765.95</b>	<b>(12,586.42)</b>	<b>(14,070.21)</b>	<b>(29,172.42)</b>
<b>10</b>	<b>Paid-up equity share capital (face value of Rs. 10/- per share)</b>	<b>1,391.28</b>	<b>1,391.28</b>	<b>1,391.28</b>	<b>1,391.28</b>	<b>1,391.28</b>	<b>1,391.28</b>
<b>11</b>	<b>Other Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,307.76</b>
	Dividing / (Loss) per share [face value of Rs. 10/- per share] (not annualized)						
	Basic and Diluted	3.82	(7.01)	(20.25)	(6.93)	(54.11)	(129.43)

See accompanying notes to the Financial Results



## NOTES:

1. The results for the quarter and nine months ended 31<sup>st</sup> December, 2019 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 13<sup>th</sup> February, 2020. They have been subjected to Limited Review by Statutory Auditors.
2. During the quarter and nine months ended 31<sup>st</sup> December, 2019, 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.
3. Other income for the quarter and nine months ended 31<sup>st</sup> December, 2019 includes net profit on sale of residential property and surplus land parcels aggregating to Rs.1,682.62 lakhs (quarter and nine months ended 31<sup>st</sup> December, 2018 - Nil)
4. 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 an exceptional items for the year ended 31<sup>st</sup> March, 2019.

In continuation of the same, in the quarter and nine months ended 31<sup>st</sup> December, 2019, the Company has sold certain assets held for sale and inventories at Navsari. Manufacturing operations at Navsari comprising of denim has been gradually discontinued. However, activities such as stock liquidation, collection of receivables and routine maintenance of plant are being carried on.

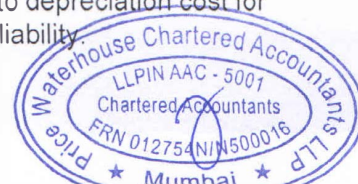
The impact of the above-mentioned activities has been disclosed as exceptional items, as shown below:

	(Rs. In lakhs)		
	Quarter ended 31 <sup>st</sup> December, 2019	Quarter ended 30 <sup>th</sup> September, 2019	Nine months ended 31 <sup>st</sup> December, 2019
One-time employee's settlement	-	736.24	736.24
Net Loss / (Gain) on Assets held for sale and Inventories	106.24	20.11	57.53
Total	106.24	756.35	793.77

Consequent to the above mentioned initiatives undertaken by the Management, results for the quarter and nine months ended 31<sup>st</sup> December, 2019 are not comparable with the corresponding period of the previous year.

5. 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 nine months ended 31<sup>st</sup> December, 2018 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.





6. 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.
7. Previous period's figures have been reclassified, wherever necessary, to correspond with those of the current period.

For and on behalf of the Board,  
For MAFATLAL INDUSTRIES LIMITED



H. A. MAFATLAL  
CHAIRMAN  
DIN : 00009872

Place: Mumbai  
Date: 13<sup>th</sup> February, 2020



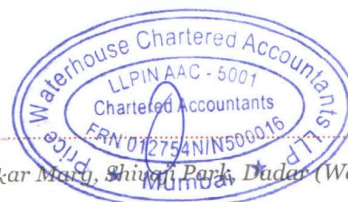
# Price Waterhouse Chartered Accountants LLP

The Board of Directors  
M/s. Mafatlal Industries Limited  
6<sup>th</sup> Floor, 'B' Wing, Kaledonia Building,  
Sahar Road, Opp. Vijay Nagar Society,  
Andheri (East), Mumbai-400 069

1. We have reviewed the unaudited consolidated financial results of Mafatlal Industries Limited (the "Parent"), its subsidiary (the parent and its subsidiary hereinafter referred to as the "Group") (refer Note 4 below) for the quarter and nine months ended December 31, 2019 which are included in the accompanying 'Statement of Consolidated Unaudited Financial Results for the quarter and nine Months Ended December 31, 2019' (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), which has been initialed by us for identification purposes. Attention is drawn to the fact that the consolidated figures for the corresponding quarter and nine months ended December 31, 2018, as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.
2. This Statement, which is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of one subsidiary: Mafatlal Services Limited.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)  
Mumbai - 400 028

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Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

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# Price Waterhouse Chartered Accountants LLP

The Board of Directors  
M/s. Mafatlal Industries Limited  
Page 2 of 2

6. The consolidated unaudited financial results includes the interim financial information of one subsidiary which have not been reviewed by their auditors, whose interim financial information reflect total revenue of Rs.6.50 Lakhs and Rs. 22.68 Lakhs, total net profit after tax and total comprehensive income of Nil and Nil for the quarter and nine months ended December 31, 2019 respectively, as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

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



Jeetendra Mirchandani

Partner

Membership Number: 48125

UDIN: 20048125AAAA08101

Mumbai  
February 13, 2019

**MAFATALAL 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@mafatalals.com, CIN L17110GJ1913PLC000035

**STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2019**

(Rs. in Lakhs)

Sr. No.	PARTICULARS	Quarter ended			Nine months ended		Financial year ended
		31st December, 2019 Unaudited	30th September, 2019 Unaudited	31st December, 2018 Unaudited (Refer Note 3)	31st December, 2019 Unaudited	31st December, 2018 Unaudited (Refer Note 3)	31st March, 2019 Audited
1	<b>Revenue</b>						
a	Revenue from operations	24,453.83	28,010.01	23,057.88	79,673.76	77,704.55	1,02,385.36
b	Other Income ( Refer note no.5)	2,401.28	1,155.83	538.78	3,959.13	2,391.96	3,090.33
	<b>Total Revenue (a + b)</b>	<b>26,855.11</b>	<b>29,165.84</b>	<b>23,596.66</b>	<b>83,632.89</b>	<b>80,096.51</b>	<b>1,05,475.69</b>
2	<b>Expenses</b>						
a	Cost of materials consumed	10,032.69	7,252.56	7,643.88	24,252.09	25,525.44	32,626.10
b	Purchases of stock-in-trade	9,441.76	15,873.65	8,753.99	38,359.16	28,659.02	37,470.42
c	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(369.64)	(569.46)	(154.64)	(242.99)	342.92	3,823.14
d	Employee benefits expense	2,130.12	2,245.85	3,011.92	6,869.08	9,539.54	12,057.04
e	Finance costs (Net)	789.04	858.57	764.54	2,476.46	2,261.06	3,018.86
f	Depreciation and amortization expense	430.75	418.87	899.27	1,264.46	2,695.08	3,595.66
g	Other expenses	3,762.13	3,304.72	5,494.84	10,824.34	17,797.02	22,529.71
	<b>Total expenses</b>	<b>26,216.85</b>	<b>29,384.76</b>	<b>26,413.80</b>	<b>83,802.60</b>	<b>86,820.08</b>	<b>1,15,120.93</b>
3	<b>Profit / (Loss) before exceptional items ( 1 - 2 )</b>	<b>638.26</b>	<b>(218.92)</b>	<b>(2,817.14)</b>	<b>(169.71)</b>	<b>(6,723.57)</b>	<b>(9,645.24)</b>
4	<b>Exceptional items ( Refer note no. 6 )</b>	(106.24)	(756.35)	-	(793.77)	(805.23)	(8,361.80)
5	<b>Profit / (Loss) before tax ( 3 - 4 )</b>	<b>532.02</b>	<b>(975.27)</b>	<b>(2,817.14)</b>	<b>(963.48)</b>	<b>(7,528.80)</b>	<b>(18,007.04)</b>
6	<b>Tax expense: Credit / (Charge)</b>						
a	Current tax	-	-	-	-	-	-
b	Deferred tax (charge) / credit	-	-	-	-	-	-
	<b>Tax expense Credit / (Charge) (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
7	<b>Net Profit / (Loss) for the period (5 - 6)</b>	<b>532.02</b>	<b>(975.27)</b>	<b>(2,817.14)</b>	<b>(963.48)</b>	<b>(7,528.80)</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	(2,725.22)	(1,362.76)	3,574.76	(11,559.59)	(6,565.11)	(11,015.13)
	- Actuarial Gain / (Loss) on Defined Benefit Obligations (net of tax)	(19.73)	(19.73)	8.33	(63.35)	23.70	(150.25)
9	<b>Total comprehensive income for the period (7 + 8)</b>	<b>(2,212.93)</b>	<b>(2,357.76)</b>	<b>765.95</b>	<b>(12,586.42)</b>	<b>(14,070.21)</b>	<b>(29,172.42)</b>
10	<b>Profit / (Loss) is attributable to</b>						
	Owners of Mafatalal Industries Limited	532.02	(975.27)	(2,817.14)	(963.48)	(7,528.80)	(18,007.04)
	Non Controlling Interest	-	-	-	-	-	-
		532.02	(975.27)	(2,817.14)	(963.48)	(7,528.80)	(18,007.04)
11	<b>Other Comprehensive Income is attributable to</b>						
	Owners of Mafatalal Industries Limited	(2,744.95)	(1,382.49)	3,583.09	(11,622.94)	(6,541.41)	(11,165.38)
	Non Controlling Interest	-	-	-	-	-	-
		(2,744.95)	(1,382.49)	3,583.09	(11,622.94)	(6,541.41)	(11,165.38)
12	<b>Total Comprehensive Income is attributable to</b>						
	Owners of Mafatalal Industries Limited	(2,212.93)	(2,357.76)	765.95	(12,586.42)	(14,070.21)	(29,172.42)
	Non Controlling Interest	-	-	-	-	-	-
		(2,212.93)	(2,357.76)	765.95	(12,586.42)	(14,070.21)	(29,172.42)
13	Reserve for 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	1,391.28
14	Other Equity	-	-	-	-	-	49,314.69
15	Equity / (Loss) per share (face value of Rs. 10/- per share) (Final and Diluted)	3.82	(7.01)	(20.25)	(6.93)	(54.11)	(129.43)

See accompanying notes to the Financial Results





## NOTES:

1. The results for the quarter and nine months ended 31<sup>st</sup> December, 2019 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 13<sup>th</sup> February, 2020. They have been subjected to Limited Review by Statutory Auditors.
2. The consolidated results includes the financial results of one subsidiary - Mafatal Services Limited (MSL).
3. Figures for the quarter and nine months ended 31<sup>st</sup> December, 2018 are consolidated on the basis of published results of the Company and un-reviewed financial statements prepared by the Management of MSL.
4. During the quarter and nine months ended 31<sup>st</sup> December, 2019, 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.
5. Other income for the quarter and nine months ended 31<sup>st</sup> December, 2019 includes net profit on sale of residential property and surplus land parcels aggregating to Rs.1,682.62 lakhs (quarter and nine months ended 31<sup>st</sup> December 2018 - Nil)
6. 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 an exceptional item for the year ended 31<sup>st</sup> March, 2019.

In continuation of the same, in the quarter and nine months ended 31<sup>st</sup> December, 2019, the Company has sold certain assets held for sale and inventories at Navsari. Manufacturing operations at Navsari comprising of denim has been gradually discontinued. 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> December, 2019	Quarter ended 30 <sup>th</sup> September, 2019	Nine months ended 31 <sup>st</sup> December, 2019
One-time employee's settlement	-	736.24	736.24
Net Loss / (Gain) on Assets held for sale and Inventories	106.24	20.11	57.53
Total	106.24	756.35	793.77

Consequent to the abovementioned initiatives undertaken by the Management, results for the quarter and nine months ended 31<sup>st</sup> December, 2019 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 nine months ended 31<sup>st</sup> December, 2018 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 Earning / (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 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.
10. Previous period's figures have been reclassified, wherever necessary, to correspond with those of the current period.

For and on behalf of the Board,  
For MAFATLAL INDUSTRIES LIMITED



Place: Mumbai  
Date: 13<sup>th</sup> February, 2020

H. A. MAFATLAL  
CHAIRMAN  
DIN : 00009872

