

July 7, 2026

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

**BSE Code: 500264**

Dear Sir,

**Sub: 112<sup>th</sup> Annual Report together with the Notice of the Annual General Meeting (AGM) for the Financial Year 2025-2026.**

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 2025-2026 along with the Notice of 112<sup>th</sup> Annual General Meeting (AGM).

The 112<sup>th</sup> Annual General Meeting (AGM) of the Company will be held on **Friday, August 7, 2026, at 3.30 P.M. (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](http://www.mafatlals.com).

This is for your information and record.

Thanking you,

Yours faithfully,  
**For Mafatlal Industries Limited**

**Amish Shah**  
**Company Secretary**  
Encl.: as above



ARVIND MAFATAL GROUP  
The ethics of excellence



# Strength, **Redefined.**

Mafatlal Industries Limited  
112<sup>th</sup> Annual Report | 2025-26



## CORPORATE OVERVIEW

02-33

About the Company	2
Transformation in Motion	4
<b>Strategic Direction</b>	
Message to Shareholders	6
Board of Directors	10
Stakeholder Engagement	12
Dealers and Distributors Engagement	13
Strategic Industry Participation	14
Employee Testimonials	15
Impact Stories	16
<b>Business &amp; Growth</b>	
Product Portfolio	18
Product Offering	20
Strategic Framework	22
Financial Highlights	24
<b>Sustainability &amp; Social Responsibility</b>	
Environmental and Governance Priorities	26
CSR	27
Summarized Financial Data Table	28
Awards	30
Corporate Information	32

## STATUTORY REPORTS

34-122

Notice of the 112 <sup>th</sup> Annual General Meeting (AGM)	34
Directors' Report	55
Management Discussion & Analysis	81
Corporate Governance Report	86
Secretarial Auditor's Report	118
Certificate of Non-disqualification of Directors	122

## FINANCIAL STATEMENTS

123-310

Independent Auditor's Report on the Standalone Financial Statements	123
Standalone Financial Statements	136
Independent Auditor's Report on the Consolidated Financial Statements	215
Consolidated Financial Statements	224

# Across the Pages



Scan this **QR code** to navigate investor-related information

Investor Information	
Market Capitalization (as of March 31, 2026)	: ₹ 780.81 Crores
CIN	: L17110GJ1913PLC000035
BSE Scrip Code	: 500264
AGM Date and Time	: August 07, 2026 at 3.30 pm

### Disclaimer:

This document contains statements about expected future events and financials of Mafatlal Industries Limited ('The Company'), which are 'forward-looking'. By their nature, 'forward-looking statements' require the Company to make assumptions and are subject to inherent risks and uncertainties. There is 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 this 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.

# Strength, **Redefined.**

For Mafatlal Industries Limited, strength is a dynamic institutional capability. We are redefining it as the deliberate alignment of operational discipline, process maturity, and strategic agility across our expanding business verticals.

Building on a phase of successful business turnaround and consistent revenue growth, this year has been defined by a purposeful focus on building our core institutional textile segment and our internal architecture. We are strengthening the essential pillars of our organization by reinforcing internal systems and processes, while ensuring our people are fully equipped to execute our long-term roadmap with precision. This focus ensures that our growth is supported by a structural robustness capable of meeting our ambition of being a global institutional uniform player.

Over the past several years, Mafatlal Industries has evolved from a traditional, asset-heavy textile manufacturer to a high-efficiency, asset-light platform. This allows us to leverage a deep vendor ecosystem to fulfill complex, large-scale institutional mandates with absolute reliability and precision. By evolving from a traditional textile manufacturer into a comprehensive solutions provider, we serve a wide spectrum of institutional requirements, from uniforms and fabrics to digital infrastructure and consumer durables.

This redefined strength is reflected in our highest-ever annual revenue and a significant expansion in key financial metrics. We believe in prioritizing execution excellence and margin improvement as we move toward a phase of sustained readiness. We are building a resilient organization where our 121-year-old heritage serves as the foundation for a modern, scalable enterprise that is professionally governed and future-focused. Today, Mafatlal Industries is defined by the professional fitness required to lead in a dynamic global market, ensuring that our progress remains disciplined and enduring.





About the Company

# Built on Legacy. Scaled with Intent.

Mafatlal Industries Limited (hereinafter referred to as 'MIL' or 'the Company') is the flagship company of the Arvind Mafatlal Group, an institution defined by over 121 years of presence in India's industrial landscape. While we remain anchored in our heritage, our present is defined by an institutional evolution into a modern, scalable, and technology-enabled enterprise.

MIL has strategically transitioned from a traditional textile manufacturer into a diversified solutions provider. Today, the Company operates at the intersection of quality textiles and digital infrastructure, maintaining a product-agnostic approach that enables us to pivot toward high-growth opportunities. Our portfolio spans a comprehensive range of institutional uniform solutions alongside a strategic expansion into the education ecosystem

through end-to-end AI-enabled solutions. We also continue to meet evolving market demands through our presence in Healthcare and Consumer Durables segments.

This transformation is powered by a high-efficiency, asset-light business model. By leveraging a robust vendor ecosystem and institutionalizing operational discipline, MIL has built a scalable and agile platform capable of responding effectively to changing market dynamics.

Our diversification strategy is a calibrated response to the institutional demand patterns driven by government spending on education, healthcare, and digital infrastructure.

With a sharpened focus on execution excellence, capability building and long-term relevance, we remain committed to building a future-ready portfolio that delivers consistent value, ensuring that the modern MIL institution remains as enduring as its legacy.

## Scale that Delivers

₹ <b>3,902.15</b> Crores Total Income	₹ <b>96.70</b> Crores PBT	<b>23.00%</b> ROCE*
₹ <b>124.85</b> Crores EBITDA#	<b>0.08</b> Debt to Equity	<b>1,060</b> Number of Employees

\*ROCE excluding dividend income, investment in NOCIL and exceptional item

#EBITDA excludes exceptional item

Note: All financial and operational figures in the Corporate Overview and Statutory Reports sections are presented on a standalone basis unless specified otherwise.



## Subsidiaries

### Mafatlal Services Limited

Provides support services in relation to employee benefit obligations and related administrative requirements.

### Pieflowtech Solutions Private Limited

Strengthens the Company's capabilities in digital infrastructure and enables the expansion of technology-led service offerings.

### Mafatlal Apparel Exports Private Limited

Marks the Company's strategic presence in the global apparel market through the supply of fashion and casual wear.



## Mission

Our Mission is to provide best-in-class products and services to our customers across the globe, from every walk and stage in life, for every occasion.



## Values

### Integrity

Upholding the highest ethical standards in all our business dealings.

### Quality Excellence

Consistently delivering superior products that meet the highest industry standards.

### Innovation & Adaptability

Evolving through creative solutions to thrive in dynamic market environments.

### Customer Commitment

Dedicated to exceeding expectations and building lasting, trust-based customer relationships.



## Vision

(Aim for the Future)

As we look to the future, our commitment remains unwavering—to build on our legacy of innovation, adaptability, and customer-centricity. Guided by over a century of heritage and deeply rooted in our core values, we continue to embrace change while staying true to the principles that define us. With a sharp focus on emerging trends and evolving customer needs, we strive to transform today to create a stronger tomorrow, pursue excellence in all that we do, and continuously redefine success in an ever-changing business and technological landscape.



*Transformation in Motion*

# Strength beyond **Legacy**

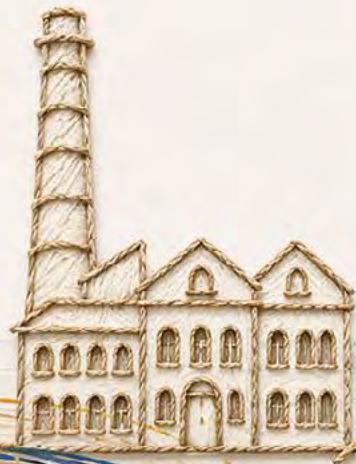
Since its inception in 1905, MIL has remained a steady presence in an evolving textile landscape rooted in trust and shaped by resilience. What began with a single mill in Ahmedabad serving local markets has, over time, grown into a product-agnostic enterprise catering to diverse market needs across the country. More than longevity, MIL's journey reflects thoughtful reinvention, adapting to change while staying true to its core values. Today, MIL continues to move forward with confidence and purpose, guided by a legacy that remains relevant and continues to evolve with time.



## **1905-1950**

### **The Beginning of a Legacy**

Founded in 1905 by the visionary Shri Mafatlal Gagalbhai, MIL was built on the ideals of enterprise, integrity and excellence. As one of India's pioneering textile companies, it helped shape the nation's industrial landscape during its formative years. Every thread woven reflected an unwavering commitment to quality, trust and craftsmanship. More than a business, MIL became a symbol of resilience and nation-building. The foundation of an enduring legacy was laid.



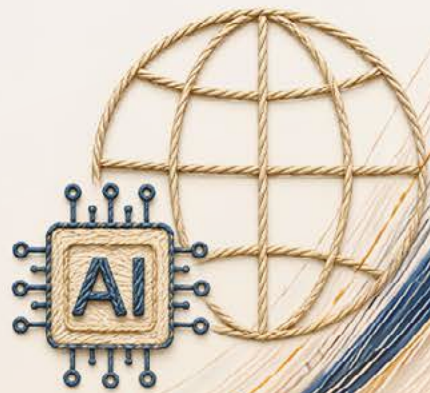


## 1951–2025 Diversification, Transformation and Enduring Leadership

The post-independence era marked a defining phase of growth and transformation. MIL strengthened its position as a publicly listed enterprise, expanded beyond its textile heritage, and diversified into institutional textiles, healthcare solutions, consumer products, digital infrastructure and technology-driven businesses. The Company also embraced an asset-light business model, enhancing operational agility, capital efficiency and scalability while remaining focused on high-value growth opportunities. Guided by innovation and strategic partnerships, it continued to evolve with changing market dynamics. This journey of transformation has enabled MIL to remain resilient, relevant and trusted across generations.

## 2026 and beyond Building the Next Chapter of Growth

The future of MIL is rooted in the strength of its past and inspired by the possibilities ahead. Guided by innovation, sustainability and customer-centricity, the Company is building businesses that are future-ready and globally relevant. Its unwavering commitment to quality, governance and responsible growth continues to define every decision. As new opportunities emerge, MIL remains focused on creating lasting value for generations to come. The legacy continues—stronger, bolder and future-focused.





**Message to Shareholders**

# Message from the **Managing Director & Chief Executive Officer**

“

Our business portfolio and operating context have expanded over time. Yet our purpose has remained firmly rooted in delivering solutions that matter at scale and with discipline.

”

## Dear Shareholders,

Some years are defined by what can be measured. Others are defined by what must be built. For Mafatlal Industries Limited, 2025-26 is firmly the latter.

There are years when progress is best captured through visible milestones, revenue growth, margins, orders executed, and the scale of impact delivered on the ground. Then there are years when the most important work happens in areas that are less visible, but far more consequential for the future.

Over the past few years, MIL has built strong momentum and delivered a clear turnaround. That progress is evident not only in our performance metrics, but also in the growing confidence with which our stakeholders view our direction. As we look ahead to building a globally respected institution, it is clear that sustained scale is not driven by

opportunity or demand alone, but by the strength and readiness of the organization itself.

In line with this, 2025-26 has been a year of strengthening our internal foundations. We have continued to build people capabilities, align processes more closely with our strategic ambitions, and deepen accountability across teams. A sharper shift towards outcome ownership is now taking shape, with clearer role-level responsibilities and more structured performance measurements across functions.

This is not a cosmetic shift; it is structural. It reflects our commitment to ensuring that the organization evolves in step with our growth plans, and that our ability to deliver continues to strengthen even as expectations rise across customers, beneficiaries, partners, and markets.





## Looking back, to look ahead

As we step into another year of progress, it is worth pausing to reflect on what truly defines our legacy. It is not just the passage of time, but the choices we make. For over a century, MIL has remained closely aligned with what matters most: consistency in delivery, integrity in execution, and continued relevance to a steadily evolving India.

Our business portfolio and operating context have expanded over time. Yet our purpose has remained firmly rooted in delivering solutions that matter at scale and with discipline. Whether it is a schoolchild, a frontline worker, beneficiaries of public welfare programs, a corporate client, or a consumer buying through trade channels, our role has remained consistent: delivering dependable products and services with a clear focus on quality and value.

This clarity of purpose has helped us remain relevant across cycles, and it continues to guide how we approach the next phase of our growth.

## The operating context

We operate in a world where volatility has become routine. Global supply chains remain exposed to cost swings, disruptions, and geopolitical uncertainty. At the same time, demand patterns are shifting quickly, shaped by changing consumer expectations, increasing formalization across sectors, and higher standards of service and delivery.

Alongside this, a powerful structural shift is underway in India. Aspirations are rising across segments, expectations of quality are becoming more exacting, and public spending is opening up opportunities where scale, compliance, and execution credibility matter. For MIL, this is not just the backdrop against which we operate. It is an environment where our institutional experience, execution discipline, and ability to build solutions around customer needs can translate into a clear advantage.

Our view is simple. Disruption will continue to take different forms. In one year, it may come through tariffs; in another, through logistics constraints; and at times, through internal challenges that test our responsiveness. What sets institutions apart is not the absence of disruption but the consistency with which they adapt, absorb, and move forward without losing direction. Our long operating history reinforces a simple belief: resilience is not a slogan; it is a discipline.

## The year in review: performance with discipline

The year 2025-26 has further reinforced the strength of our operating model and the breadth of our execution capability. Across key parameters, performance improved over the previous year, reflecting both the turnaround we have built over time and the operating momentum that has followed.

This progress has been driven by disciplined delivery in our

institution-led segments, supported by a sharper operating cadence. The focus has remained clear on what is within our control: stronger execution planning, tighter delivery governance, and disciplined working capital management. Together, these have helped sustain momentum across uniforms, consumer durables, and digital infrastructure, while improving the consistency and predictability of outcomes.

Financially, 2025-26 reflects the combined impact of three factors: a stronger execution tempo in our core institution-led segments, a stable margin profile supported by the continued expansion of our uniform solutions umbrella, and tighter working capital and delivery governance. This has strengthened not just the scale of growth, but its quality as well.

Against this backdrop, total income stood at ₹ 3,902.15 Crores, with EBITDA before exceptional item at ₹ 124.85 Crores and profit before tax and after exceptional items was ₹ 96.70 Crores, supported by sustained operating momentum and disciplined execution.

The balance sheet strengthened further during the year, with gross debt reducing to ₹ 60.77 Crores as of March 31, 2026, as compared to ₹ 68.29 Crores as of March 31, 2025, while ROCE stood at 23%, reflecting enhanced capital efficiency and disciplined financial management.

The Board declared and paid an interim dividend of ₹ 1.25 per share for 2025-26. The Board has also recommended a final dividend of ₹ 1.25 per share for the financial



year ended March 31, 2026, subject to the approval of shareholders at the ensuing Annual General Meeting.

## What enabled this progress

Three factors explain why MIL has been able to sustain momentum even as we expand into new adjacencies.

First, clarity on where we win. We have built our strength in segments where execution quality, reliability, and credibility truly matter. Institution-led demand rewards those who can deliver with discipline at scale, consistently and compliantly. Over time, this creates a compounding advantage for those who earn and retain trust.

Second, an asset-light model that supports flexibility. Our supply chain and operating approach allow us to stay nimble, expand into new categories, and pursue opportunities without being constrained by fixed infrastructure. In an environment marked by cost volatility and shifting demand, this flexibility is not theoretical; it is a real operating advantage.

Third, a deliberate focus on strengthening people and processes. This has been a defining theme of the year. As the organization scales, capability must scale alongside it, not trail behind.

## People and process: the 'pause to propel' year

If I had to describe the strategic emphasis of this year in one line, it would be this: pause to propel forward.

When growth is strong and visible, the natural instinct is to keep

chasing the next opportunity. But building at scale demands something more. It requires an organization that is as aligned internally as it is externally, and a delivery engine that is process-led while still retaining the agility and culture that have defined us over the years.

We have placed a sharper focus on tracking execution and ownership through a more structured set of performance measures at both the organization and team levels.

This shift is helping us to move toward more system-led execution, where outcomes are anchored in defined processes, ownership, and structured reviews. Over time, this builds organizational strength, as performance becomes less dependent on individuals and more embedded within the system.

This effort is closely linked to our long-term aspirations. As we look to build a stronger presence across all three business segments, our internal readiness, people capability, and process maturity must evolve in step with that ambition.

## Our business model: purpose-led, customer-driven, execution-first

MIL's model is often described as simple. In my view, it is simple by design and strong because it is anchored in institutional relevance and depth of execution.

We serve a diverse set of consumer and institutional segments through a model that combines product capabilities and execution strength. Our role goes beyond supply; we deliver end-to-end solutions through a network of public and private partnerships, supported by collaborations that ensure consistency of reach to the last mile.

As we diversify, we remain both product-agnostic and customer-centric. This allows us to stay relevant across categories without being tied to a single product or dependent on one cycle.

Uniform Solutions continues to be our core engine, built on long-standing institutional relationships across sectors such as education, healthcare, hospitality, industrial workwear, and public services. Our value proposition extends well beyond supply. It includes design and specification alignment, compliance-led execution, quality assurance, and reliable delivery at scale.

Consumer Durables is steadily building relevance, particularly through public sector channels and institution-led demand. Digital Infrastructure, meanwhile, is emerging as a capability-led vertical, where execution strength, service delivery, and technology integration can create long-term value.

## Growth arcs we are building with intent

As we look ahead, two strategic arcs stand out:

First, we believe there is an opportunity to build on our strong standing in India and steadily expand our relevance in select international uniform markets over time. This is a long-term aspiration, and we are approaching it with care, market-by-market, grounded in learning, relationship-building, and consistent delivery.

At the same time, we are mindful that global growth cannot be approached with the assumption that markets behave the same way. Even where products appear



similar, buying behavior, seasonality, institutional procurement structures, and cultural nuances can differ significantly. Our approach, therefore, remains grounded: understand each market, build the right distribution and customer relationships, and scale in a measured and consistent manner.

This also means being thoughtful about how we build our export story in an environment where trade conditions can change rapidly. Developed economies are important consumption markets and therefore remain relevant. At the same time, we are evaluating other geographies as well, including Latin America, the Middle East, the Far East, and Australia. Our approach is to build a balanced portfolio of opportunities that helps us hedge disruptions, learn faster, and steadily scale.

The second area we continue to evaluate is the broader education ecosystem opportunity, where institutional essentials, learning infrastructure, and technology-enabled solutions are increasingly converging.

As part of this, we are exploring opportunities across areas such as digital learning infrastructure, AI-enabled applications, learning management systems, and adjacent learning services, particularly where they complement our institutional relationships and execution capabilities.

Our approach remains measured and grounded. We are not seeking to position ourselves as specialists in every component of this ecosystem. Rather, we see potential in participating selectively in areas where integrated solutions, execution strength, and long-term institutional engagement can create differentiated value over time.

## Responsibility as a way of working

Responsibility is not a separate agenda for MIL; it is integrated into how we think about long-term institution building. Whether it is sustainability measures in operations, or community-focused initiatives across the Group, our stance is that the thinking behind the numbers matters as much as the numbers themselves.

On sustainability, we continue to focus on practical, measurable interventions that reduce our environmental footprint while improving efficiency. This includes initiatives such as solar adoption for self-consumption, water conservation, use of green chemicals, and exploring alternative energy options like white coal blends.

Our approach to community initiatives is guided by the Group's ethos. We continue to support programs that create long-term social value, believing that institutional building is incomplete without contributing meaningfully beyond the balance sheet.

## Looking ahead

As we step into the next phase of MIL's journey, our priorities are clear and they will guide how we move forward from here. We will continue to strengthen people's capability and deepen ownership across the organization, while building processes that enable consistent, high-quality execution at scale. At the same time, we will continue evaluating opportunities to expand our uniform presence across select international markets in a measured manner, with a clear focus on where we believe we can build lasting relevance over time.

In parallel, we will continue exploring opportunities within the broader education and digital infrastructure ecosystem. Our focus will remain on areas where meaningful and durable institutional value can be created over time.

Responsibility will continue to be integral to how we operate. It shapes our sustainability choices, informs our community initiatives, and guides the way we think about long-term value creation.

## A note of gratitude

I would like to thank our customers, institutional partners, suppliers, employees, and shareholders for the trust they continue to place in us. That trust is not taken lightly. It is what shapes our decisions and defines the standards we hold ourselves to.

What we are building is not just a business plan for the next few years. It is an institution with long-term intent, one that must endure, adapt, and remain relevant across cycles.

This is where this year's message, *Pause to Propel*, becomes important. It reflects a conscious choice. A choice to step back where needed, strengthen what drives performance, sharpen how we execute, and build the capability required to move forward with greater clarity and confidence.

Because in the end, the strength of the next phase will depend on how well we prepare for it today.

Warm regards,

**Priyavrata H. Mafatlal**  
**Managing Director &**  
**Chief Executive Officer**



Board of Directors

# Guided by Experience. Governed with Integrity.

At MIL, leadership is defined by stewardship, not merely oversight. The Board of Directors consists of distinguished individuals with diverse expertise across industries, policies, and finances. At MIL, they are united by a shared commitment to purpose-driven growth.



**Mr. Hrishikesh A. Mafatlal**  
Chairman



**Mr. Priyavrata H. Mafatlal**  
Managing Director & Chief  
Executive Officer w.e.f. June 1, 2026



**Mr. Atul K. Srivastava**  
Independent Director



**Mr. Abhay R. Jadeja**  
Independent Director

**DIN:** 00009872

**Age:** 72

**Experience in years:** 49+

**Date of appointment:**

May 3, 1979

**Attainments:**

Honors Degree in Commerce  
Advanced Management  
Program at Harvard Business  
School (USA)

**Specialized Functional  
Competencies:**

He served on the Board of  
Governors of Indian Institute  
of Management Ahmedabad  
for 12 years and also held the  
office of Vice-Chairman of  
The Cotton Textiles Export  
Promotion Council.

Currently, he serves as the  
Chairman and Promoter  
Director of NOCIL Limited.

**Committee Position held:**



**DIN:** 02433237

**Age:** 39

**Experience in years:** 18+

**Date of appointment:**

November 1, 2016

**Attainments:**

Master's degree in Marketing  
Alumnus of Harvard Business  
School, (USA)

**Specialized Functional  
Competencies:**

He brings over 18 years of  
diverse experience across  
the textile, information  
technology, chemical, and  
allied business sectors.

He currently serves as a  
Director on the Board of  
NOCIL Limited.

**Committee Position held:**



**DIN:** 00046776

**Age:** 74

**Experience in years:** 49+

**Date of appointment:**

October 10, 2012

**Attainments:**

Honors Degree in Science  
and fellow member of the  
Institute of Chartered  
Accountants of India

**Specialized Functional  
Competencies:**

With over 49 years of  
distinguished corporate  
experience, he has developed  
significant expertise in the  
areas of finance, accounting,  
taxation, and commercial  
management.

**Committee Position held:**



**DIN:** 03319142

**Age:** 44

**Experience in years:** 21+

**Date of appointment:**

May 27, 2024

**Attainments:**

B. Com, L.L.B. Memberships in  
the Bar Council of Maharashtra  
& Goa, Bombay Bar Association,  
and Supreme Court Bar  
Association.

**Specialized Functional  
Competencies:**

He brings over 21 years of  
extensive experience in complex  
commercial and civil litigation,  
family and succession disputes,  
estate and trust planning, white-  
collar crime matters, foreign  
exchange regulations, securities  
laws, insolvency, pharmaceuticals,  
and pricing-related matters.

**Committee Position held:**



- Chairman
- Member
- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee

Erstwhile Independent Directors	Date of completion of term
Mrs. Latika P. Pradhan	April 16, 2025
Mr. Sujal A. Shah	May 29, 2025
Mr. Gautam G. Chakravarti	May 29, 2025



The Board's collective experience offers more than just strategic guidance. It brings perspective, balance, and accountability to every step. As advocates of the Company's values and vision, the Board continues to play a crucial role in shaping long-term priorities, strengthening governance, and enabling MIL to navigate complexity with clarity and conviction.



**Mr. Ashutosh S. Bishnoi**  
Independent Director



**Dr. Archana N. Hingorani**  
Independent Director



**Mr. Jyotin K. Mehta**  
Independent Director



**Mr. Desh Deepak Khetrapal**  
Independent Director

**DIN:** 02926849

**Age:** 65

**Experience in years:** 42+

**Date of appointment:**

May 27, 2024

**Attainments:**

Master of Business Administration Mahindra Universe Program at the Harvard Business School, (Boston) (USA)

**Specialized Functional Competencies:**

He has been associated with several leading Indian corporate and financial institutions, including Mahindra Group, L&T Finance, UTI Mutual Fund, DSP Merrill Lynch, and JM Mutual Fund.

**Committee Position held:**



**DIN:** 00028037

**Age:** 61

**Experience in years:** 31+

**Date of appointment:**

February 4, 2025

**Attainments:**

Bachelor's degree in arts and MBA and PhD in Philosophy from the University of Pittsburgh

**Specialized Functional Competencies:**

With over 31 years of experience in financial services, she specializes in private equity, fund investments and asset management. She is the Managing Partner at Siana Capital and was recognized among Fortune India's Most Powerful Women (2014-17) and Asian Investor's 25 Most Influential Women in Asia Asset Management (2014). She serves on the boards of multiple listed companies and is also a visiting faculty at University of Pittsburgh Katz.

**Committee Position held:**



**DIN:** 00033518

**Age:** 68

**Experience in years:** 41+

**Date of appointment:**

October 26, 2024

**Attainments:**

Bachelor's degree in commerce (Gold Medallist), fellow member of the Institute of Chartered Accountants of India (AIR 3), the Institute of Company Secretaries of India and the Institute of Cost Accountants of India

**Specialized Functional Competencies:**

With over 41 years of experience, he specializes in corporate finance, governance, risk management and compliance (GRC). He has held leadership roles at Voltas Limited, ICICI Group and Shell, with expertise in corporate finance, internal audit, corporate governance, company law, legal and regulatory compliance, and customer service.

**Committee Position held:**



**DIN:** 02362633

**Age:** 71

**Experience in years:** 51+

**Date of appointment:**

February 4, 2025

**Attainments:**

Honors degree in Business and Economics and Master of Business Administration

**Specialized Functional Competencies:**

He has over 51 years of experience, including 30+ years in management roles in listed companies. He has served as Managing Director and CEO of Orient Cement Limited, Director of BirlaNU Limited, and Board member of Oriental Bank of Commerce, Raymond Limited and Steelage Industries Limited. He is recognized for his strategic leadership and business transformation expertise.

**Committee Position held:**



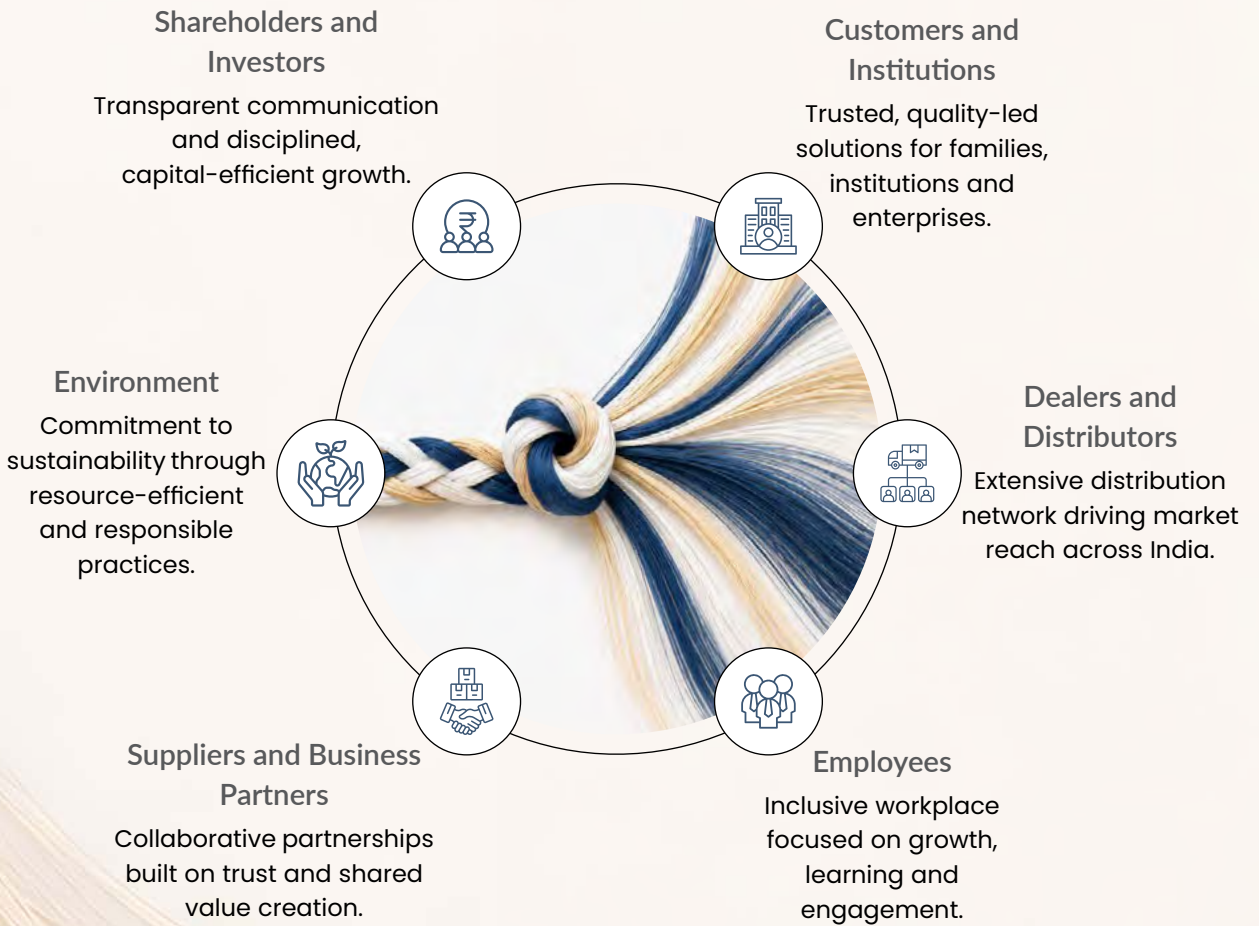


**Stakeholder Engagement**

# Every Engagement **A Step Forward**

This year, MIL translated market presence into measurable business momentum. Across institutional platforms, dealer forums, and investor interactions, each engagement was designed to validate capabilities, deepen relationships, and sharpen the Company’s position as a preferred partner for large-scale institutional mandates.

## Serving a Diverse Stakeholder Ecosystem





Dealers and Distributors Engagement

# Woven into Markets Across the Nation

MIL's dealer and distribution network is one of the Company's most durable competitive strengths. With a presence across 25+ states and a network of 1,000+ dealers for uniforms and fabrics, the Company has built consistent access across urban centers, semi-urban towns and rural markets.

The network supports delivery across textiles, uniforms, hygiene products, and non-textile offerings, backed by long-standing dealer relationships and strong last-mile connectivity.

The model is further strengthened by a multi-channel approach spanning dealer networks, B2B partnerships, and government procurement channels, giving the Company both depth and resilience in market access.

**25+**

States with Dealer and Distributor Network Presence

**1,000+**

Dealer and Distributor Network for Uniforms and Fabrics

**Pan-India** Reach

Dealer and Distributor Network for Textile and Non-Textile Products

## Enabling Growth through Dealer and Distributor Partnerships

MIL remains committed to building long-term, mutually beneficial relationships with its dealer network. During the year, the Company continued to engage with dealers through initiatives aimed at strengthening collaboration, improving product placement and sustaining partner confidence:

**Dealer Meetings**

Regular engagement with key dealers and distributors to align strategy, strengthen collaboration, and support successful product placement.

**Awards Program**

Recognition initiatives to reward outstanding dealer performance, encouraging excellence and long-term commitment.

**Competitive Margins**

Attractive and sustainable margins to ensure dealer profitability and sustained long-term association.



Rishtey 2025 by Mafatlal



Strategic Industry Participation

# Strengthening Partnerships through Industry Engagement

Throughout the year, MIL participated in leading industry exhibitions and business forums, showcasing its diverse portfolio, strengthening stakeholder relationships, and reinforcing its presence across key markets and sectors.



DIDAC - New Delhi (November 2025)



LATAMTEX - São Paulo, Brazil (November 2025)



Medically Exhibition - Chennai (July 2025)



Goa Hospitality Exhibition - Goa (August 2025)



India Med Tech Exhibition - Delhi (September 2025)



India International Ayurveda & Wellness Expo - Goa (January 2026)



Employee Testimonials

# Growing Together

Every employee's journey is a testament to our culture of learning, ownership, and opportunity. Through their experiences, they share how MIL has supported their professional growth while enabling them to contribute meaningfully to the Company's success.

Joining the Company 16 years ago has been one of the most rewarding decisions of my career. Over the years, I have been entrusted with greater responsibilities and empowered to lead key production functions, contributing meaningfully to operational excellence. The culture of trust, accountability, and continuous improvement has enabled me to grow both professionally and personally. I take immense pride in being part of the Company's remarkable journey and an organization that values talent, nurtures leadership, and creates long-term opportunities for growth.



**Mr. Vatsal Sheth**

Vice President - Operations

Age: 41 years | Years of Service: 16

Since joining Mafatlal Industries Limited in 1997, my experience has been both enriching and rewarding. The Company has consistently provided opportunities to learn, grow, and take on greater responsibilities. The trust and autonomy extended to me have enabled me to contribute meaningfully to the Company's progress. I take pride in being part of Mafatlal's remarkable journey and look forward to contributing to its continued success.



**Mr. Dilip Acharya**

General Manager - Accounts & Taxation

Age: 59 years | Years of Service: 29

My association with Mafatlal Industries Limited has been both rewarding and fulfilling. The trust and autonomy I have received have empowered me to take ownership and contribute with confidence. The Company's collaborative culture encourages fresh ideas, teamwork, and accountability, creating an environment that supports continuous learning and growth. I am proud to be part of an organization that values excellence and inspires its people to perform at their best.



**Mr. Rajesh Jain**

General Manager - Marketing

Age: 57 years | Years of Service: 4

My journey with Mafatlal Industries Limited has been one of continuous learning and professional growth. The Company's supportive work environment and focus on employee development have enabled me to enhance my skills and take on new challenges with confidence. I am proud to contribute to an organization with a strong legacy and a forward-looking vision.



**Ms. Reena Kahar**

Manager - Marketing

Age: 37 years | Years of Service: 9



Impact Stories

# Impact that Matters



“



Regaining strength, confidence, and dignity has helped me embrace life with renewed independence and without hesitation.

”

“

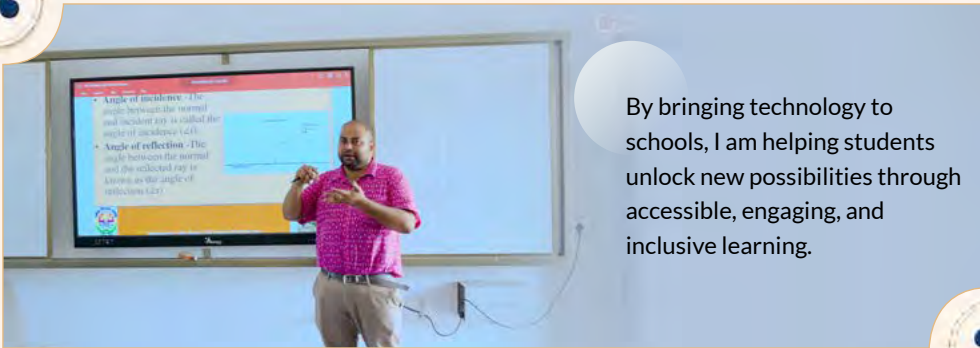


Who knew one small choice could bring so much comfort and a little more peace of mind, for both of us!

”



“



By bringing technology to schools, I am helping students unlock new possibilities through accessible, engaging, and inclusive learning.

”

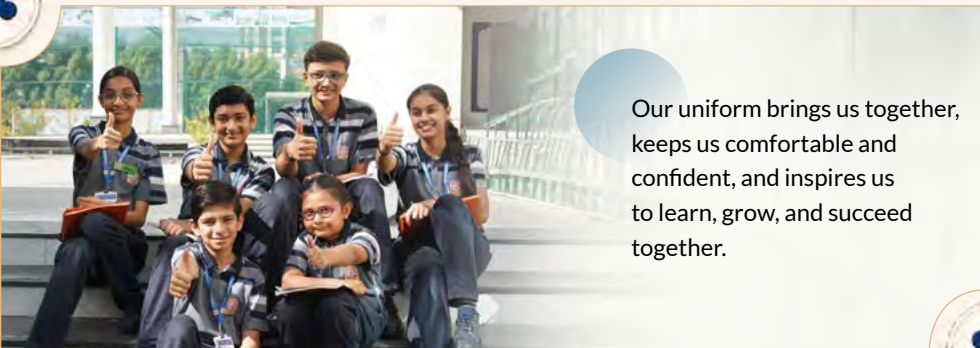
“



Technology has transformed my classroom beyond four walls, putting a world of knowledge at my fingertips and giving me the confidence to learn and grow.

”

“



Our uniform brings us together, keeps us comfortable and confident, and inspires us to learn, grow, and succeed together.

”



Product Portfolio

# Diversified Offerings

## Unified Purpose

MIL has progressively redefined its portfolio in line with changing market needs, transitioning from a traditional product-led approach to a purpose-driven platform built around institutional relevance and scalable value creation.

The portfolio today encompasses uniforms, healthcare products, technology-led educational solutions, and consumer durables, categories chosen for their ability to support long-term institutional demand and deliver impact at scale.

With a flexible and product-agnostic operating model, the Company remains well-positioned to respond to evolving national priorities with agility, relevance, and execution excellence.

### Portfolio Positioned for Growth

The uniform solutions business remains the Company's primary revenue and profit contributor, anchored by strong institutional demand and improving margins. The non-textile segments, digital infrastructure and consumer durables, provide meaningful diversification and access to sectors driven by sustained government spending. Together, they reflect MIL's deliberate evolution into a multi-segment, execution-led enterprise.



## Textiles and Technical Textiles



### Uniform Solutions



Uniforms remain a key pillar of MIL's textiles portfolio, with the Company evolving from a fabric supplier into a full-service uniform solutions provider offering design, customization, manufacturing, and distribution. Today, MIL serves institutions across education, healthcare, aviation, security, automobiles, QSRs, petrochemicals, oil & gas, and the public sector, delivering end-to-end uniform solutions at scale.

Beyond uniforms, MIL's textiles business caters to consumer and institutional markets through woven white, Rubia, polyester-cotton fabrics, home furnishings, and voile fabric exports to the Middle East. Backed by a strong vendor network and integrated supply chain, the Company executes large, time-sensitive orders with consistency and reliability.



## Non-Textiles



### Digital Infrastructure



MIL has established a presence in the education-led technology segment, offering end-to-end digital solutions that include smart classrooms, hardware, in-built software, and after-sales services. The business participates in public spending-led initiatives, aligned with the government's vision of reforming education through digital tools and platforms.

The business model combines transactional and annuity-based revenue streams, providing earnings visibility over time. To strengthen capabilities in this space, its subsidiary, Pieflowtech Solutions Private Limited, is focused on expanding its application and software offerings within the digital infrastructure domain.



### Beyond Uniform Solutions



The Company caters to healthcare requirements through supply of non-woven products such as patient wear and surgical gowns. The hygiene portfolio includes sanitary napkins, baby diapers, and adult diapers aimed at improving accessibility to quality hygiene products.

The home furnishings range offers bed and bath solutions to households across income segments, reinforcing MIL's consumer-facing presence.



### Consumer Durables

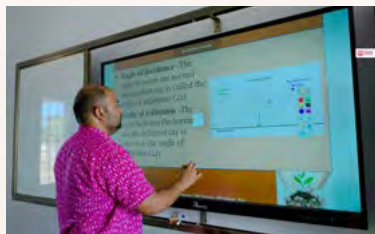
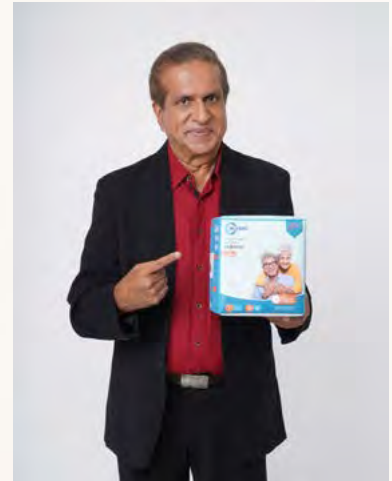


Leveraging supply chain strengths, institutional relationships, and strategic adjacencies aligned with its broader growth strategy, MIL has expanded its presence into the consumer durables segment by participating in large-scale public welfare-led institutional projects.



Product Offering

# A Glimpse of Our Portfolio



## Setting Standards of Excellence

- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018
- ISO 13485:2016
- Global Organic Textile Standard (GOTS)
- Global Recycled Standard (GRS)
- Organic Content Standard (OCS)
- OEKO-TEX
- SEDEX (SMETA)
- Laboratory Accreditation Certificate – NEXT
- Laboratory Accreditation Certificate – NABL
- Higg FSLM (Facility Social & Labor Module)
- Higg FEM (Facility Environmental Module)
- BIS Certificate
- BCI (Better Cotton Initiative) Certificate
- CDSO
- CMMI Level 3



## Customer Testimonials

### Mafatlal Healthcare

**Testimonial**

★★★★★

**Mafatlal Healthcare offers well-crafted scrubs, lab coats, and protective wear**

Quality medical apparel plays an important role in maintaining hygiene and professionalism in clinical settings. Mafatlal Healthcare offers well-crafted scrubs, lab coats, and protective wear that meet the expectations of healthcare professionals. Their attention to fabric quality and practical design makes their products suitable for everyday hospital use.



**Dr. Niral Shah**  
JOINT REPLACEMENT SURGEON

### Mafatlal Technologies - Digital Infrastructure

**TESTIMONIAL**

We sincerely appreciate Mafatlal Technologies' partnership with the Odisha Government under the FBP initiative. The introduction of digital boards has transformed our classrooms into interactive learning spaces. Students are more engaged, lessons are more impactful, and teaching has become more effective.

★★★★★

**Dinakumar Nayak**  
School Teacher

### Mafatlal Fabrics

**TESTIMONIAL**

We have been associated with Mafatlal Industries for almost 2 years, especially since we started working on projects with Dubai Health Authority. During this period, their team has supported us not only with supply but also with product development, helping us establish high-quality finished products with the right texture, durability, and consistency. What stands out most is their commitment to maintaining standards every batch meets expectations, which gives us confidence when delivering to our clients. Their professionalism, timely service, and technical understanding make the entire process smooth. We truly value this partnership and see it as a long-term association built on trust and quality.

★★★★★

**Haresh Dudani**  
Classic Velvet Fabric





Strategic Framework

# Strengthening the Core Scaling with Discipline

MIL has fundamentally redefined its strategic direction, transitioning from a traditional, product-led textile manufacturer into a purpose-driven, product-agnostic enterprise. Anchored in the philosophy of 'Impacting Lives. Driving Growth.', the Company's strategy is centered on identifying high-relevance adjacencies, delivering scalable solutions, and building long-term value across institutional and consumer ecosystems.

This transformation is supported by a set of well-defined strategic pillars that combine capital efficiency, execution strength, portfolio diversification, and organizational readiness.



### Asset-Light, Execution-led Model

- Driving capital efficiency through strategic outsourcing
- Progressively optimizing the manufacturing portfolio to focus capital on higher-value activities
- Partnering with a large vendor base to build a flexible and responsive supply ecosystem
- Focusing on high-value functions: design, branding, and fulfillment



### Product-Agnostic, Demand-driven Growth

- Expansion across textiles, technical textiles, digital infrastructure, and consumer durables
- Integrated, solution-led offerings, particularly in education
- Strengthening capabilities through subsidiaries including Pieflowtech Solutions and Mafatlal Apparel Exports



### Diversified Market Access

- Strong B2G and B2B institutional pipeline across uniform, education, healthcare, and public welfare
- 1,000+ dealer network enabling rural and Tier-II/III market penetration
- Re-entry into defense uniform supply and ongoing development of export relationships in the Middle East, with phased expansion planned for Europe, Latin America, and the Far East



### Solution-led Offerings and Annuity Income

- Integrated hardware, software, and service delivery in digital infrastructure
- Deployment of PAL labs, LMS, ERP, and AI-enabled classroom solutions
- Multi-year AMC-led recurring revenue model providing earnings visibility



### Scalable Systems and Process Transformation

- Transition to a process-driven organization with structured accountability frameworks
- Execution discipline across geographies and large-scale institutional projects



### Leadership and People Capability

- Focus on ownership, accountability, and entrepreneurial thinking
- Investment in learning, capability development, and employee engagement
- Workforce aligned with digital and global growth priorities



### Systems, Process Excellence and Governance

- Robust internal controls, audit frameworks, and financial transparency
- Strengthened cybersecurity, data privacy, and risk management systems
- Consistent compliance and governance discipline



### Customer-centric Approach and Global Expansion

- Solution-led, long-term engagement with institutional clients across public and private sectors
- Building global uniform supply capabilities with a focus on the Middle East

## Strategic Perspective

MIL's strategic framework reflects a balanced and future-ready approach, combining agility, diversification, and disciplined execution. By strengthening its core while widening its reach, the Company remains well positioned for sustainable and scalable growth across institutional and consumer segments.



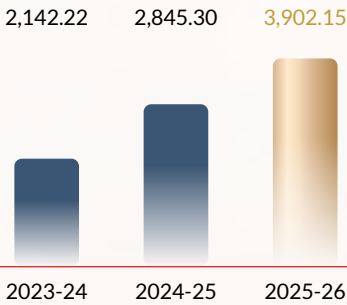
Financial Highlights

# Value Woven through Strategic Execution

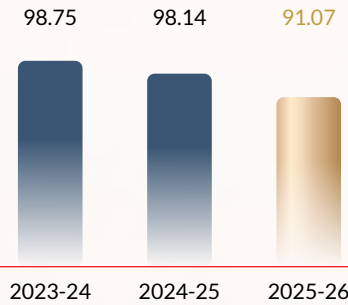
2025-26 reaffirmed MIL's belief that sustainable financial outcomes are achieved through clarity, control, and conviction.

The year's performance was underpinned by a focused execution strategy anchored in an asset-light model, calibrated expansion, and proactive responsiveness to institutional demand. Revenue from operations reached ₹ 3,870.44 Crores, a growth of 37.87% over the previous year, marking the Company's highest-ever annual revenue.

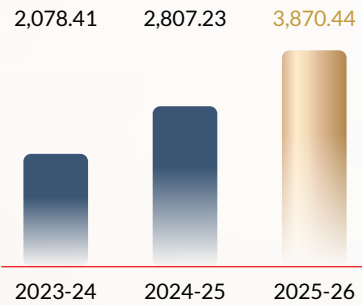
**Total Income**  
(₹ Crores)



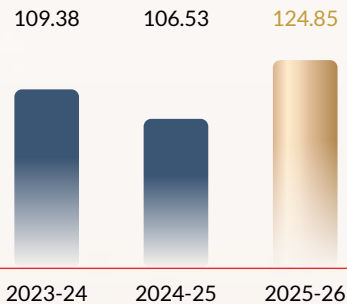
**PAT**  
(₹ Crores)



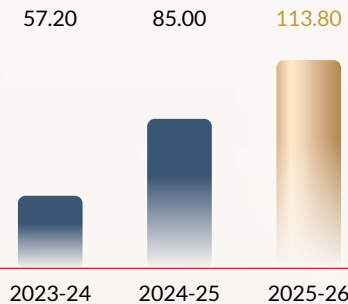
**Revenue from Operations**  
(₹ Crores)



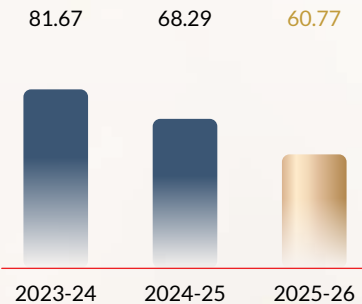
**EBITDA#**  
(₹ Crores)



**Operating EBITDA**  
(₹ Crores)



**Total Debt**  
(₹ Crores)



\*Excluding dividend income and investment of NOCIL, and after exceptional items.  
#EBITDA excludes exceptional items.



## Segmental Revenue Breakup

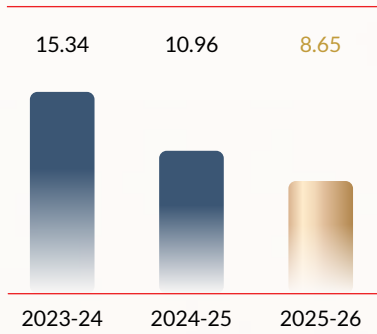
(₹ Crores)

Segment	Revenue from Operations		EBIT from Segment*	
	2024-25	2025-26	2024-25	2025-26
Textile and Related Products	1,217.43	1,494.18	58.32	75.74
Digital Infrastructure	92.89	62.34	16.40	6.29
Consumer Durables and Others	1,496.91	2,313.92	22.55	32.44
<b>Total</b>	<b>2,807.23</b>	<b>3,870.44</b>	<b>97.27</b>	<b>114.47</b>

\*EBIT from segment excludes unallocable income and expenditure.

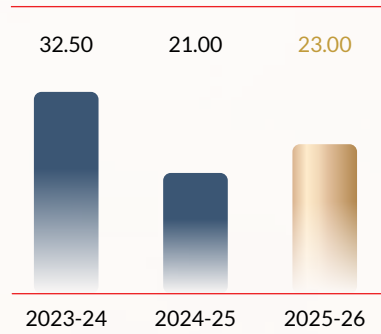
### Finance Cost

(₹ Crores)



### Return on Capital Employed\*

(ROCE) (in %)





**Environmental and Governance Priorities**

# Responsible Growth **Disciplined Impact**

MIL's approach to sustainability is anchored in the same discipline that guides its business: making deliberate choices, executing them responsibly, and creating value that extends beyond the immediate transaction.



## **Environmental: Driving Operational Efficiency with Responsibility**

MIL continues to integrate sustainability into its operations through focused initiatives in energy management and resource optimization. In 2025-26, the Company commenced installation of a 4 MWp solar power plant at its Nadiad manufacturing unit for captive use – a concrete step toward reducing dependence on conventional energy sources and lowering the facility's carbon intensity.

In parallel, the Company is strengthening resource optimization practices by minimizing waste, improving input utilization, and embedding responsible consumption across processes. These efforts are aligned with India's broader sustainability priorities, where environmental responsibility is increasingly integral to long-term business resilience and investor confidence.



## **Governance: Anchored in Integrity and Accountability**

MIL operates within a robust governance framework, supported by active Board oversight and independent supervision. Decision-making processes are aligned with long-term strategy, risk management, and stakeholder interests. The Board comprises experienced professionals across finance, law, strategy, and industry, bringing diverse and independent perspectives to governance.

A strong emphasis on ethics and transparency underpins all operations. The Company adheres to established regulatory standards while maintaining disciplined internal controls and transparent disclosures. Strengthened cybersecurity, data privacy practices, and risk management systems further reinforce the governance architecture. This framework supports stakeholder trust and sustained value creation.

MIL's ESG framework reflects a disciplined approach to sustainability by balancing operational efficiency, people development, and governance integrity to enable resilient and responsible growth.



CSR

# Strength that Uplifts

The Company views social responsibility as an extension of its long-standing commitment to communities. It believes that meaningful progress is built not only through business growth, but also through initiatives that support education, healthcare, livelihood creation and inclusive development. During 2025-26, the Company made voluntary CSR contributions through below mentioned organizations working across rural education, healthcare, village upliftment and community development.

## Vrindaranya Grama Punarutthana Mandali (VGPM)

VGPM works in the areas of rural education and village upliftment. Its key initiative, Vrindaranyam, is a skill-based residential school that combines academic learning with life skills, vocational training, nourishing food and village values. The institution focuses on holistic development through Panchkoshatmika Vikas, while also supporting rural and tribal communities through health and social development initiatives.



## Shri Chaitanya Health and Care Trust (SCHCT)

SCHCT undertakes social development initiatives across healthcare, preventive health, education, special education, vocational training, women's empowerment, livelihood enhancement, environmental sustainability, animal welfare and rural development. Its work is primarily focused on rural and tribal regions of Maharashtra and Uttar Pradesh, supporting inclusive and sustainable development.

**Summarized Financial Data Table**

# The Numbers behind the Transformation

Particulars	2016-17	2017-18	2018-19	2019-20
<b>PROFIT AND LOSS ACCOUNT</b>				
Total income	1,280.68	1,200.50	1,054.58	1,062.12
Profit before depreciation, interest, exceptional items and tax	55.04	25.24	(30.31)	49.85
Exceptional items	(8.70)	-	(83.62)	(14.59)
Finance costs	(26.20)	(31.09)	(30.19)	(31.43)
Depreciation, amortization and impairment	(27.06)	(36.11)	(35.96)	(17.18)
Profit before tax	(6.92)	(41.95)	(180.08)	(13.36)
Profit after tax	(2.15)	(41.78)	(180.07)	(13.71)
Dividend (₹ Per share)#	3.00	-	-	-
Basic earnings per share (EPS) of ₹ 2/- each	(0.31)	(6.01)	(25.89)	(1.97)
<b>BALANCE SHEET</b>				
Net fixed assets	297.17	301.94	135.72	135.68
Investments	62.21	501.88	374.09	168.68
Other assets (net)*	259.96	228.18	204.15	129.95
<b>Total application of funds</b>	<b>619.34</b>	<b>1,032.00</b>	<b>713.96</b>	<b>434.31</b>
Borrowings	243.94	233.60	206.97	149.75
Shareholders' equity				
Share capital	13.91	13.91	13.91	13.91
Reserves	361.49	784.49	493.08	270.65
Total shareholders' equity	375.40	798.40	506.99	284.56
<b>Total sources of funds</b>	<b>619.34</b>	<b>1,032.00</b>	<b>713.96</b>	<b>434.31</b>
<b>KEY PERFORMANCE INDICATORS</b>				
Book value per equity share of ₹ 2/- each	53.96	114.77	72.88	40.91
Debt-to-equity ratio	0.65	0.29	0.41	0.53
EBITDA (%)	4%	2%	(3%)	5%
Profit after tax (%)	0%	(3%)	(17%)	(1%)
Return on shareholders' equity (%)	(1%)	(5%)	(36%)	(5%)
Return on capital employed (%)	3%	(1%)	(21%)	(4%)

\*Other Assets (Net) are net of current and non current assets and liabilities.

#During the year, the Board of Directors of the Company declared ₹ 1.25/- per share as interim dividend and recommended a final dividend of ₹ 1.25/- per share (subject to the approval of the members in the Annual General Meeting).

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



	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	637.84	1,063.76	1,415.62	2,142.22	2,845.30	3,902.15
	(11.12)	76.67	73.89	109.38	106.53	124.85
	(40.83)	(10.17)	(0.54)	-	(6.00)	(2.87)
	(22.10)	(18.59)	(17.72)	(15.34)	(10.96)	(8.65)
	(17.05)	(15.67)	(15.36)	(15.00)	(15.03)	(16.63)
	(91.11)	32.24	40.27	79.04	74.54	96.70
	(93.75)	29.29	37.48	98.75	98.14	91.07
	-	-	-	-	2.00	2.50
	(13.48)	4.19	5.32	13.92	13.66	12.64
	111.88	94.17	92.47	83.51	82.53	92.90
	444.73	633.71	525.50	633.84	446.27	390.88
	53.79	70.09	90.26	179.05	280.86	349.94
	<b>610.41</b>	<b>797.97</b>	<b>708.23</b>	<b>896.40</b>	<b>809.66</b>	<b>833.72</b>
	143.78	112.02	93.60	81.84	68.29	60.77
	13.92	14.07	14.12	14.30	14.38	14.43
	452.71	671.88	600.51	800.26	726.99	758.52
	466.63	685.95	614.63	814.56	741.37	772.95
	<b>610.41</b>	<b>797.97</b>	<b>708.23</b>	<b>896.40</b>	<b>809.66</b>	<b>833.72</b>
	67.02	97.50	87.06	113.92	103.68	107.11
	0.31	0.16	0.15	0.10	0.09	0.08
	(2%)	7%	5%	5%	4%	3%
	(16%)	3%	3%	5%	3%	2%
	(20%)	4%	6%	12%	13%	12%
	(5%)	8%	8%	11%	11%	13%



# Awards

Our achievements during the year reflect our unwavering commitment to excellence, innovation, and value creation across businesses.



### Emerging Education Technology Company of the Year – Times Now Education Summit 2025

Mafatlal Technologies received the award in recognition of its commitment to innovation and technology-driven, future-ready learning solutions.



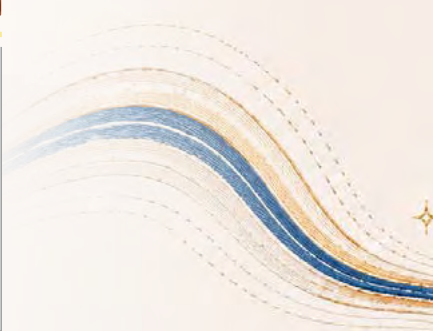
### Times Now Most Promising Business Leaders of Asia 2025-26

Mr. Priyavrata Mafatlal, Managing Director and Chief Executive Officer of Mafatlal Industries Limited, was honoured with the Most Promising Business Leaders in Asia award, recognizing his leadership in advancing the Company’s transformation while strengthening its long-term growth trajectory and value creation.



### Uniform Revolutionary Person of India Award

Mr. Raghunath Mannil Balakrishnan, former CEO of Mafatlal Industries Limited, was honoured for his leadership in transforming the uniform garment industry through innovation, expanded institutional reach, and sectoral growth.





### LACP Vision Awards 2024-25

Mafatlal Industries Limited received the Platinum Award, ranking 65<sup>th</sup> globally in the Consumer Durables – Textile/Apparel/Luxury category, recognizing excellence in corporate reporting, transparency, and stakeholder communication.



### HURUN INDIA Award

Priyavrata Mafatlal was honored with the Aventus Wealth–Hurun India U40 Award for Multi-Generational Excellence in Family Business, recognizing his leadership in shaping the next chapter of the Group's 120-year legacy by combining entrepreneurial vision with disciplined execution to build a diversified, future-ready enterprise.





# Corporate Information

This Annual Report (containing all the reports and information) may contain forward-looking information to enable the investors to comprehend the Company's prospects and take informed investment decisions. This report and other statements-written as well as oral-that the Company periodically makes, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. MIL has 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. The Company cannot guarantee that forward-looking statements will be realized, although it believes that it has been prudent in its assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove

inaccurate, actual results could vary materially from those anticipated, estimated, or projected. MIL undertakes 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 email addresses in respect of electronic holding with the Depository through their concerned Depository Participants (DP).

### BOARD OF DIRECTORS

**Mr. Hrishikesh A. Mafatlal**

Promoter and Chairman  
DIN: 00009872

**Mr. Priyavrata H. Mafatlal**

Promoter, Managing Director  
& Chief Executive Officer  
w.e.f. June 01, 2026  
DIN: 02433237

**Mr. Jyotin K. Mehta**

Independent Director  
DIN: 00033518

**Mr. Desh Deepak Khetrpal**

Independent Director  
DIN: 02362633

**Mr. Abhay R. Jadeja**

Independent Director  
DIN: 03319142

**Mr. Ashutosh S. Bishnoi**

Independent Director  
DIN: 02926849

**Mr. Atul K. Srivastava**

Independent Director  
DIN: 00046776

**Dr. Archana N. Hingorani**

Independent Director  
DIN: 00028037

**Mrs. Latika P. Pradhan**

Independent Director  
DIN: 07118801  
(up to April 16, 2025)

**Mr. Sujal A. Shah**

Independent Director  
DIN: 00058019  
(up to May 29, 2025)

**Mr. Gautam G. Chakravarti**

Independent Director  
DIN: 00004399  
(up to May 29, 2025)



## MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

**Mr. Priyavrata H. Mafatlal**  
(w.e.f. June 01, 2026)

## CHIEF EXECUTIVE OFFICER

**Mr. M. B. Raghunath**  
(up to May 31, 2026)

## CHIEF FINANCIAL OFFICER

**Ms. Smita Jhanwar**  
(w.e.f. June 01, 2025)

**Mr. Milan P. Shah**  
(up to May 31, 2025)

## COMPANY SECRETARY

**Mr. Amish P. Shah**

## AUDITORS

Statutory Auditors  
**Price Waterhouse Chartered  
Accountants LLP**

Internal Auditors  
**Aneja Assurance Private Limited**

Secretarial Auditors  
**Umesh Ved & Associates**

## REGISTERED OFFICE

301-302, Heritage Horizon,  
3<sup>rd</sup> Floor, Off C. G. Road,  
Navrangpura, Ahmedabad - 380 009  
Email: ahmedabad@mafatlals.com  
Tel: +91-79-2644 4404-06

## MARKETING OFFICE

Mafatlal House, 5<sup>th</sup> Floor,  
H. T. Parekh Marg,  
Backbay Reclamation,  
Mumbai - 400 020,  
Maharashtra, India  
Tel: +91-22-6771 3800

## PLANTS

### NADIAD

Shree Arvind Mafatlal Marg,  
Nadiad - 387 001, Gujarat

### SANGLI

MIDC, Kupwad, Taluka: Miraj,  
District: Sangli - 416 436,  
Maharashtra

## REGISTRAR AND SHARE TRANSFER AGENT

### KFin Technologies Limited

Selenium Tower B, Plot No. 31-32,  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad - 500 032,  
Telangana, India  
Email: einward.ris@kfintech.com  
Website: www.kfintech.com  
Tel: 1800 3094 001

### AHMEDABAD

Shop 11 & 12, 3<sup>rd</sup> Eye, Near Girish  
Cold Drinks, C. G. Road,  
Ahmedabad - 380 006  
Email: ahmedabadmfd@kfintech.com  
Tel: +91-90819 03021

### MUMBAI

6/8 Ground Floor, Crossely House,  
Near BSE Limited, Next to  
Union Bank, Fort, Mumbai - 400 001  
Email: mumbaimfd@kfintech.com  
Tel: +91-22-4605 2082



## NOTICE

**NOTICE** is hereby given that the 112<sup>th</sup> Annual General Meeting (AGM) of Mafatlal Industries Limited (The Company) will be held on **Friday, August 07, 2026, at 3.30 p.m. (IST)** through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) to transact the following business.

### ORDINARY BUSINESS

1. To consider and adopt the audited Standalone and Consolidated financial statements of the Company for the financial year ended on March 31, 2026, together with the reports of the Board of Directors and the Auditors thereon.
2. To confirm interim dividend declared by the Board of Directors and declare final dividend on equity shares of the Company for the financial year ended on March 31, 2026.
3. To appoint a Director in place of Mr. Priyavrata H. Mafatlal (DIN: 02433237), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

#### 4. RATIFICATION OF COST AUDITOR'S REMUNERATION:

To consider and if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** in accordance with the provisions of Section 148 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 modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) the remuneration of ₹ 4,75,000/- (Rupees Four Lakhs Seventy-Five Thousand Only), plus applicable taxes and reimbursement of out-of-pocket expenses actually incurred in connection with the audit, payable to M/s. B. Desai & Co., Cost Auditors (Firm Registration No. 005431), for conducting the audit of cost accounting records relating to the 'Textile' products manufactured and traded by the Company for the financial year 2026-27 as approved by the Board of Directors of the Company on recommendation of the Audit Committee, be and is hereby ratified and approved.

**RESOLVED FURTHER THAT** any one of the Directors or the Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper, desirable or expedient to give effect to this resolution".

#### 5. RE-APPOINTMENT AND RE-DESIGNATION OF MR. PRIYAVRATA H. MAFATLAL (DIN: 02433237) AS MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER (MD & CEO) OF THE COMPANY:

To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 ("the Act") (including any amendment, re-enactment or statutory modification thereof) read with Schedule V to the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules"), and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and based on the recommendation of the Nomination and Remuneration Committee ("NRC") and the Board of Directors of the Company (hereinafter referred to as "Board", which term shall be deemed to include a Committee of the Board, if any, constituted to exercise its powers, including the powers conferred by this Resolution) at their respective meetings held on May 05, 2026, approval of the Members of the Company be and is hereby accorded for the re-appointment and re-designation of Mr. Priyavrata H. Mafatlal (DIN: 02433237), as Managing Director and Chief Executive Officer (MD & CEO) of the Company, for a period of three years, from June 01, 2026 to May 31, 2029 (i.e. prior to the expiry of his current term which ends on October 31, 2026), liable to retire by rotation, on the terms and conditions and remuneration as set out in the letter of appointment dated May 05, 2026 issued to him and laid before the meeting, with the liberty and powers to the Board of Directors of the Company to increase, alter and vary the designation,



NOTICE (Contd.)

remuneration and/or other terms and conditions of his appointment in such manner as the Board in its absolute discretion deems fit and is acceptable to him.

**RESOLVED FURTHER THAT** the said remuneration be paid to him notwithstanding that such remuneration may exceed the limit specified under Section 197 read with Schedule V of the Act in case of inadequacy or absence of profits calculated in accordance with the applicable provisions of the Companies Act, 2013.

**RESOLVED FURTHER THAT** any one of the Directors or the Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper, desirable or expedient to give effect to this resolution.

**RESOLVED FURTHER THAT** any of the Board of Directors or Company Secretary of the Company be and is hereby severally authorized to file requisite e-forms with the Ministry of Corporate Affairs and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable or expedient to give effect to the above resolution".

**6. RE-APPOINTMENT OF MR. HRISHIKESH A. MAFATLAL (DIN: 00009872) AS EXECUTIVE CHAIRMAN OF THE COMPANY:**

To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 ("the Act") (including any amendment, re-enactment or statutory modification thereof) read with Schedule V to the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules"), and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, and based on the recommendation of

the Nomination and Remuneration Committee ("NRC") and the Board of Directors of the Company (hereinafter referred to as "Board", which term shall be deemed to include a Committee of the Board, if any, constituted to exercise its powers, including the powers conferred by this Resolution) at their respective meetings held on May 05, 2026, approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Hrishikesh A. Mafatlal (DIN: 00009872) as the Executive Chairman of the Company, for a period of two years, from November 01, 2026 to October 31, 2028, liable to retire by rotation, on the terms and conditions and remuneration as set out in the letter of appointment dated May 05, 2026 issued to him and laid before the meeting, with the liberty and powers to the Board of Directors of the Company, to increase, alter and vary the designation, remuneration and/or other terms and conditions of his appointment in such manner as the Board in its absolute discretion deems fit and is acceptable to him.

**RESOLVED FURTHER THAT** the said remuneration be paid to him notwithstanding that such remuneration may exceed the limit specified under Section 197 read with Schedule V of the Act in case of inadequacy or absence of profits calculated in accordance with the applicable provisions of the Companies Act, 2013.

**RESOLVED FURTHER THAT** any one of the Directors or the Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper, desirable or expedient to give effect to this resolution.

**RESOLVED FURTHER THAT** any of the Board of Directors or Company Secretary of the Company be and is hereby severally authorized to file requisite e-forms with the Ministry of Corporate Affairs and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable or expedient to give effect to the above resolution".



NOTICE (Contd.)

**7. PAYMENT OF REMUNERATION BY WAY OF COMMISSION TO NON-EXECUTIVE INDEPENDENT DIRECTORS (NEIDS) OF THE COMPANY FOR THE FINANCIAL YEAR 2025-26:**

To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 197, 198, and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("the Rules") and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), and in terms of the recommendation made by the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on May 05, 2026 and subject to such approvals, permissions and sanctions, as applicable, the approval of the Members of the Company be and is hereby accorded for payment of remuneration by way of commission to Non-Executive Independent Directors of the Company, including those Non-Executive Independent Directors who ceased to be Directors of the Company during the financial year ended March 31, 2026, for an aggregate amount not exceeding ₹ 96,00,000/- (Rupees Ninety-Six Lakhs Only), in such manner and in all respects as may be decided and determined by

the Board of the Company, for the financial year ended March 31, 2026.

**RESOLVED FURTHER THAT** the remuneration by way of commission, payable to the Non-Executive Independent Directors, shall be in addition to the payment of sitting fees paid to Directors for attending the meetings of the Board of Directors and Committees thereof.

**RESOLVED FURTHER THAT** any one of the Directors or the Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper, desirable or expedient to give effect to this resolution".

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

**Amish P. Shah**  
Company Secretary  
(ACS: 20622)

Place: Mumbai  
Date: May 05, 2026

**Regd. Office:**  
Mafatlal Industries Limited  
(CIN L17110GJ1913PLC000035)  
301-302, Heritage Horizon, 3<sup>rd</sup> Floor, Off. C. G. Road,  
Navrangpura, Ahmedabad - 380 009.  
Tel: 079-2644 4404-06.  
Email: [ahmedabad@mafatlals.com](mailto:ahmedabad@mafatlals.com)  
Website: [www.mafatlals.com](http://www.mafatlals.com)



## NOTICE (Contd.)

### NOTES

1. The Ministry of Corporate Affairs ('MCA') and the Securities and Exchange Board of India (SEBI) have, vide their various circulars issued from time to time, permitted companies to convene their 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 and SEBI Circulars, the 112<sup>th</sup> AGM of the Company will be held on **Friday, August 07, 2026, at 3.30 p.m.** through VC/OAVM and hence, the facility for appointment of proxy by the members is not available for this AGM and thus the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. The venue of the meeting shall be deemed to be the Registered Office of the Company, situated at 301-302, Heritage Horizon, 3<sup>rd</sup> Floor, Off C.G. Road, Navrangpura, Ahmedabad - 380 009.
2. For the convenience of the members and proper conduct of AGM, members can login and join at least 15 minutes prior to the time scheduled for the AGM and the meeting link shall be kept open throughout the proceedings of the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on a first-come, first-served basis. However, this number does not include the large Shareholders i.e., 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., who are allowed to attend the AGM without restriction on account of first-come first-served basis. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
3. The Annual Report, inter alia, containing the 112<sup>th</sup> AGM Notice and other disclosures, will be uploaded on the Company's website at [www.mafatlals.com](http://www.mafatlals.com) under 'Investors' Section (available for free download and review from the website). The Notice of the 112<sup>th</sup> AGM forms part of the Annual Report 2025-26 and is being sent only by electronic mode to those Members whose email addresses are registered with the Company/ Depository Participant 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 email: [ahmedabad@mafatlals.com](mailto:ahmedabad@mafatlals.com). Additionally, as per Regulation 36(1)(b) of the Listing Regulations, a letter providing the weblink of the Annual Report for 2025-26 and a static Quick Response Code (QR Code), will be sent to those shareholder(s) who have not registered their email address with the Company/Depositories/ Depository Participants/KFintech. The Company will be publishing an advertisement in newspapers (one English newspaper and one Gujarati newspaper) containing the details about the AGM i.e., day, date and time of AGM, details for e-voting, availability of Notice of AGM at the Company's website, manner of registering the email IDs of those shareholders who have not registered their email addresses, manner of providing mandate for dividends and other matters as may be required.
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 provided at the end of this Annual Report.
5. The Explanatory Statement in respect of the Special Business mentioned in the Notice, as required under Section 102 of the Companies Act, 2013 and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable Secretarial Standards issued by ICSI, the requisite information, inter alia, containing the particulars of the Director seeking appointment/re-appointment and the information as required under para (iv) of Section II of Part II of Schedule V of the Companies Act, 2013 are annexed hereto.



## NOTICE (Contd.)

6. 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 by the members. Members who seek inspection may write to us at [ahmedabad@mafatlals.com](mailto:ahmedabad@mafatlals.com).
7. The annual accounts of the subsidiary companies are made available on the website of the Company at <https://www.mafatlals.com/investors/>.
8. It may be noted that the Company will provide the Shareholders' cloth discount coupon to those members who request for the same. Members must communicate such a request by way of email to the Company's email address at [ahmedabad@mafatlals.com](mailto:ahmedabad@mafatlals.com) or by letter to the Company's Registered Office. No request made through telephone shall be considered or entertained.
9. Members holding shares in the physical form are advised to complete KYC in the prescribed Form No. ISR-1 and communicate the particulars of their PAN, bank account, change of postal address, e-mail ID, mobile no. and nomination to the 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://kprism.kfintech.com/>.
10. As per the provisions of Section 72 of the Companies Act, 2013, 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/she may submit the same in Form No. SH-14. Members who are either not desiring of registering 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.
11. The Company has fixed **Friday, July 31, 2026**, as the cut-off date for determining the eligibility of Members entitled to vote at the AGM and to receive the dividend. The remote e-voting shall remain open for three days commencing from **Tuesday, August 04, 2026, at 9.00 a.m. (IST), to Thursday, August 06, 2026, at 5.00 p.m. (IST), (both days inclusive)**.
12. Members present in the meeting through video conferencing and who have not cast their vote on resolutions through remote e-voting, shall be allowed to vote through the e-voting system during the meeting.
13. In line with 'green initiatives', the Companies Act, 2013 provides for sending the Notice of the AGM and other correspondence through the electronic mode. Hence, members who have not registered their email IDs with their depository participants are requested to register their email ID to receive all our communications, including Annual Report, Notices etc., in electronic mode. The Company is concerned about protecting the environment and utilizing natural resources in a sustainable way.
14. Members are requested to note that as per Section 124(6) of the Companies Act, 2013, read with IEPF Rules as amended, all the shares in respect of which dividend remained 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 of the respective years 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](http://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.



NOTICE (Contd.)

15. As per Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can only be transferred in a demat form with effect from April 01, 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 the Company's RTA for assistance.
16. CS Umesh Ved, M/s. Umesh Ved & Associates, Company Secretaries, Ahmedabad (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.
17. The scrutinizer will submit his report to the Chairman, or any other executives authorized by the Chairman after completion of 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 results declared along with the scrutinizer's report shall be communicated to the stock exchange on which the Company's shares are listed and will also be displayed on the Company's website at [www.mafatlals.com](http://www.mafatlals.com).
18. 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](mailto:agm.speaker@mafatlals.com) **before 5.00 p.m. (IST) on Saturday, August 01, 2026**. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest, post conclusion of the AGM.
19. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2022/8 dated January 25, 2022 has mandated listed companies to issue securities in dematerialized form only while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at <https://www.mafatlals.com/investors/> and on the website of the Kfintech at <https://ris.kfintech.com>. It may be noted that any service request can be processed only after the folio is KYC compliant.
20. SEBI has established a common Online Dispute Resolution Portal ('ODR Portal') for resolution of disputes arising in the Indian Securities Market. The regulatory norms regarding the same were consolidated vide SEBI Master Circular dated July 31, 2023 (Updated as on August 04, 2023) and amended as on December 20, 2023. Pursuant to the same, investors shall first take up grievance with the Company directly and escalate the same through the SCORES Portal at <https://scores.sebi.gov.in/scores-home>. If still not satisfied with the outcome after exhausting all available options, investors can initiate dispute resolution through the ODR Portal at <https://smartodr.in/login>.
21. Corporate Members are encouraged to attend the AGM through their Authorized Representatives. They are requested to send by email, a certified copy of the Board Resolution/Power of Attorney authorizing their representatives to attend and vote on their behalf in the Meeting at [umesh@umeshvedcs.com](mailto:umesh@umeshvedcs.com).
22. Instructions for e-voting, attending the 112<sup>th</sup> Annual General Meeting through Video Conferencing (VC/OAVM), and other aspects, are posted on the Company's website [www.mafatlals.com](http://www.mafatlals.com) and also provided at the end of this Annual Report. The same is also sent to concerned members whose email ID is registered with us.

**NOTICE (Contd.)**

23. The shares of the Company are listed on BSE Limited, and the Listing fee for the Exchange has been paid by the Company for the financial year 2026-27.

24. In case of joint holders attending the Meeting, the joint holder who is highest in the order of names will be entitled to vote at the Meeting.

25. The Company reserves its right to restrict the number of speakers depending on the availability of time for the AGM.

**26. Dividend**

I. The dividend, as recommended by the Board, if approved at the 112<sup>th</sup> AGM, will be paid on or before **August 27, 2026** to those members whose names appear on the record of Depositories [National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)] (for shares held in Demat form) or Register of Members (for shares held in physical form) on **Friday, July 31, 2026** (Record date for Dividend).

II. Members holding shares in physical form are requested to promptly notify in writing their bank account details/any change therein or change in their address, nomination, email address, mobile number, etc., in Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021 read with SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021 along with requisite documents as mandated by SEBI to RTA. These details will be updated provided other relevant KYC details are registered for the folio. Members holding shares in electronic form are requested to notify the change in above particulars directly to their DP.

III. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021 (subsequently amended by Circular Nos. SEBI/HO/

MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021, SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2023/37 dated March 16, 2023, SEBI/HO/MIRSD/PoD-1/P/CIR/2023/181 dated November 17, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024), dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature.

Further, relevant FAQs published by SEBI on its website can be viewed at the following link: [https://www.sebi.gov.in/sebi\\_data/faqfiles/may-2024/1715694256793.pdf](https://www.sebi.gov.in/sebi_data/faqfiles/may-2024/1715694256793.pdf).

IV. SEBI has introduced DigiLocker as a Digital Public Infrastructure to reduce unclaimed securities in the Indian Securities Market. DigiLocker is a digital documents wallet of Government of India facilitating investors to securely store and access Issued Documents, demat holdings etc., along with a facility to appoint a nominee to their DigiLocker account. In the event of the investor's demise, such nominee(s) will be provided access to the digital information of the deceased investor to initiate the process of transmission of deceased investor's financial assets or to pass the information to surviving joint holder or to legal heirs. [SEBI Circular No. SEBI/HO/OIAE/OIAE\_IAD-3/P/CIR/2025/32 dated March 19, 2025].

**Tax on Dividend to Resident Shareholders****A. Tax on dividend amount to Resident Individual Shareholders**

Tax shall not be deducted on payment of dividend to Resident Individual Shareholder, if the total amount of dividend payable during the financial year does not exceed ₹ 10,000/-.



NOTICE (Contd.)

Tax to be deducted on payment of dividend to Resident Individual Shareholder, if the total amount of dividend payable during the financial year exceeds ₹ 10,000/-:

Category of shareholder	Applicable tax rate	Documents required to be submitted	Category of shareholder	Applicable tax rate	Documents required to be submitted
Resident Individual Shareholder with PAN	10%	N.A.	Resident Individual Shareholder without PAN/ invalid PAN/inoperative PAN (PAN not linked with Aadhar)	20%	NA

Resident Individual Shareholders, desires to avail exemption from deduction of tax on payment of dividend exceeding ₹ 10,000/- during the financial year:

Resident Individual shareholders with PAN	Nil	Copy of PAN card Declaration in Form 121 (for individuals with no tax liability on total income). Declaration in Form 121 (for individuals above the age of 60 years with no tax liability on total income).
---	-----	--

**Tax on dividend amount to Resident Non-Individual Shareholders**

Tax on dividend payable during the financial year to Resident Non-Individual Shareholders shall be deducted either @ 10% or at applicable rates. They can avail exemption from TDS by submission of following documents:

Mutual Fund specified under Schedule VII (Table: Sl. No. 20 or 21) to section 11 of the Income Tax Act, 2025 (the Act)	Nil	Copy of self attested PAN Declaration under section Schedule VII (Table: Sl. No. 20 or 21) to section 11 of the Act.	An Insurance Company exempted under Section Sec 393(4) [Table: S.No.10] of the Act	Nil	Copy of self attested PAN Declaration qualifying as Insurer as per section 2(7A) of the Insurance Act, 1938.
Alternate Investment Fund (AIF established in India)	Nil	Copy of self attested PAN Declaration under section Schedule V [Table: Sl. No. 1] to section 11 of the Act for exemption and registration certificates for either Category I or Category II AIF as per SEBI Regulations.	Other Non-Individual Shareholders	Nil	Copy of self attested PAN Declaration along with self attested copy of documentary evidence supporting the exemption.
Shareholders who have submitted order u/s 395(1) of the Act	As per order	Copy of self attested PAN Lower withholding tax certificate for the financial year 2025-26 obtained from tax authority to be submitted to claim the lower tax rates.			

**NOTICE (Contd.)****B. Tax on Dividend to Non-Resident Shareholders**

Tax deductible at source/withholding tax on payment of dividend during the financial year to Non-Resident Shareholders shall be as follows:

Non-Resident Shareholders shall be taxed @ 20% plus applicable surcharge and cess on the dividend payable during the financial year. They can avail beneficial rates under tax treaty between India and their country of residence, subject to submission of necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 41 filed electronically through Income Tax portal, any other document which may be required to avail the tax treaty benefits.

Format for submission of various declarations mentioned above are made available at 'Investor' section on the website of the Company at [www.mafatlals.com](http://www.mafatlals.com) and the shareholders are requested to upload the duly filled in declarations to the link, <https://ris.kfintech.com/form15/> on or before Saturday, July 25, 2026.

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.****IN RESPECT OF ITEM NO. 4:**

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, the Company is required to appoint Cost Auditors for the audit of cost accounting records relating to the 'Textile' Products of the Company maintained in compliance with the applicable provisions. Based on the recommendation of the Audit Committee, the Board of Directors has approved the appointment of M/s. B. Desai & Co., Cost Auditors, (Firm Registration No. 005431), as the Cost Auditors for conducting the cost audit relating to Textile Products for the financial year 2026-27 on a remuneration of ₹ 4,75,000/- (Rupees Four Lakhs Seventy-Five Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses incurred for the purpose of such audit.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor needs to be ratified and approved by the Members of the Company.

Accordingly, the ratification by the Members is sought by way of an Ordinary Resolution as set out in Item No. 4 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for the ratification by 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.

**IN RESPECT OF ITEM NO. 5:**

Mr. Priyavrata H. Mafatlal (DIN: 02433237), aged 39, holds a degree in Marketing and is an alumnus of Harvard Business School, USA. He is an industrialist with over 18 years of diverse experience across textiles, information technology, chemicals, and other businesses. He is the son of Mr. Hrishikesh A. Mafatlal, Executive Chairman of the Company, and serves as a Non-Executive Director of NOCIL Limited.

Mr. Priyavrata H. Mafatlal was appointed as Executive Director (Whole-Time Director) of the Company with effect from November 01, 2016. He took over charge of the Company as the Chief Executive Officer w.e.f. April 01, 2019. He served as Managing Director and Chief Executive Officer from July 1, 2020 to March 31, 2022. Thereafter, upon the appointment of Mr. M. B. Raghunath as Chief Executive Officer with effect from April 1, 2022, he continued as the Managing Director of the Company.

At the 107<sup>th</sup> Annual General Meeting of the Company held on July 30, 2021, Mr. Priyavrata H. Mafatlal was appointed as the Managing Director and Chief Executive Officer ("MD & CEO") of the Company for a period of five years w.e.f. November 01, 2021 on the terms and conditions and remuneration as set out in the letter of appointment dated May 26, 2021 issued to him and laid before the said AGM with liberty and powers to the Board of Directors of the Company to increase, alter and vary the designation, remuneration and/or other terms of his appointment in such manner as the Board in its absolute discretion deems fit. At the 110<sup>th</sup> Annual General Meeting



NOTICE (Contd.)

held on August 02, 2024, by way of a Special Resolution the members had approved the payment of remuneration to Mr. Priyavrata H. Mafatlal for the remaining tenure of his appointment in excess of the limit prescribed under the provisions of Sections 196 and 197 of the Companies Act, 2013 read with Schedule V thereto in the event of loss or inadequate profits, subject to the ceiling approved by the members in 107<sup>th</sup> Annual General Meeting.

During his tenure, the Company has undertaken several strategic initiatives focused on improving operational performance, diversifying its businesses, strengthening its competitive position, pursuing long-term growth opportunities, and creating sustainable long-term value for shareholders.

Mr. M. B. Raghunath, Chief Executive Officer (CEO), will retire upon attaining the age of sixty years, with effect from the close of business hours on May 31, 2026.

In view of his extensive experience, leadership capabilities and significant contribution to the growth and development of the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on May 5, 2026 approved the re-appointment and re-designation of Mr. Priyavrata H. Mafatlal as MD and CEO of the Company for a further period of three years

with effect from June 1, 2026 to May 31, 2029, prior to the expiry of his current term ending on October 31, 2026, in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereto and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), subject to the approval of the Members by way of a Special Resolution.

The remuneration payable to Mr. Priyavrata H. Mafatlal shall be as set out below and shall be effective from June 1, 2026. The Members are also requested to approve the payment of remuneration to him notwithstanding that such remuneration may exceed the limits prescribed under Section 197 read with Schedule V to the Companies Act, 2013, in the event of absence or inadequacy of profits during his tenure.

The Board of Directors shall have the authority, on the recommendation of the Nomination and Remuneration Committee, to alter, vary or revise the terms and conditions of his appointment, including designation and remuneration, from time to time, within the overall limits approved by the Members and in accordance with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

I	a	Basic salary which shall not exceed ₹ 2.50 Crores per annum.
	b	Allowances, the aggregate monetary value of which shall not exceed ₹ 1.25 Crores per annum. These allowances would be in addition to the items mentioned in clause "c", "d" and "e" below:
	c	Perquisites: I. Fully furnished house or house rent not exceeding ₹ 1.25 Crores per annum in lieu thereof. II. Medically Policy, Personal Accident Insurance, Leave Travel Concession and Club Fees as per the Rules of the Company. Perquisites will be valued as per the Income Tax Rules, wherever applicable, and in the absence of such Rules, the perquisites will be valued at the actual cost to the Company.
	d	Payments, Provisions & Entitlements in terms of Contribution to Provident Fund, Superannuation Fund/ Annuity Fund, Gratuity and other benefits will be as per the Rules of the Company.
	e	Apart from remuneration, Mr. Priyavrata H. Mafatlal will also be entitled to: I. Free use of Company's car for the business of the Company with reimbursement of driver's salary. II. Free telephone facility at residence and use of mobile phone facility. III. Reimbursement of expenses actually and properly incurred by him for the business of the Company.

**NOTICE (Contd.)**

II		Performance linked incentive payment - per annum at the discretion of the Board, at the end of each financial year subject to a maximum of ₹ 3.00 Crores (Rupees Three Crores Only) for a financial year.
III		The following payments/provisions shall not be included in the computation of limit of remuneration or perquisites (if any), as provided in Schedule V to the Companies Act, 2013 to the extent of: <ul style="list-style-type: none"> <li>I. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.</li> <li>II. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and</li> <li>III. Encashment of leave as per the policy of the Company.</li> </ul>

He shall not be entitled to any sitting fees for attending the meetings of the Board of Directors or any Committees thereof. Subject to the provisions of Section 152 of the Companies Act, 2013, he shall be liable to retire by rotation.

A copy of the Letter of Appointment dated May 05, 2026, setting out the terms and conditions of the appointment would be available for inspection. Members seeking to inspect such documents can send an email to [ahmedabad@mafatlals.com](mailto:ahmedabad@mafatlals.com).

Mr. Priyavrata H. Mafatlal has furnished his consent to the Board, for re-appointment and re-designation as MD & CEO as a Whole-Time Key Managerial Personnel of the Company under Section 203 of the Companies Act, 2013. He has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority. Mr. Priyavrata H. Mafatlal confirmed that he satisfies all the conditions set out under Section 196(3) and in Part-I of Schedule V to the Act, for being eligible for re-appointment as MD & CEO of the Company and he is not disqualified from being a Director in terms of Section 164 of the Act.

The details required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 enclosed as an **Annexure-I** to the Notice.

Accordingly, the consent of the Members is sought by way of a Special Resolution as set out in Item No. 5 of the Notice. The Board recommends resolution in Item No. 5 of this Notice for the approval of the Members.

None of the Directors or Key Managerial Personnel or their relatives except Mr. Priyavrata H. Mafatlal himself, and Mr. Hrishikesh A. Mafatlal (father of Mr. Priyavrata

H. Mafatlal) and their relatives to the extent of their shareholding, are in any way concerned or interested, financially or otherwise, in the resolution at Item No. 5 of this Notice.

**IN RESPECT OF ITEM NO. 6:**

Mr. Hrishikesh A. Mafatlal (DIN: 00009872), aged 72, is the Executive Chairman of the Company and has been associated with the Board since 1979. He holds an honors degree in Commerce from Sydenham College, Mumbai, and has completed the Advanced Management Program (AMP) at Harvard Business School, USA. He served on the Board of Governors of IIM Ahmedabad for 12 years and was Vice-Chairman of the Cotton Textiles Export Promotion Council (TEXPROCIL). He is an industrialist with over 49 years of diversified experience in fields of textiles, chemicals, engineering, petrochemicals, and financial services. He also serves as Executive Chairman of NOCIL Limited and is the father of Mr. Priyavrata H. Mafatlal, MD & CEO of the Company.

The Members of the Company at the 103<sup>rd</sup> Annual General Meeting held on August 02, 2017, approved his appointment as Executive Chairman for a period of five (5) years, with effect from November 01, 2016 to October 31, 2021. Thereafter, the Members, by way of a special resolution passed at the 107<sup>th</sup> Annual General Meeting, re-appointed him as Executive Chairman for a further term of five (5) years, commencing from November 01, 2021 to October 31, 2026, pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Schedule V of the Companies Act, 2013.



NOTICE (Contd.)

Considering his vast experience, deep understanding of the industry, continued guidance and active involvement in the affairs of the Company, and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on May 05, 2026, approved the re-appointment of Mr. Hrishikesh A. Mafatlal as Executive Chairman of the Company for a further period of two years commencing from November 01, 2026 up to October 31, 2028, on the revised terms and conditions, including remuneration set out below:

I	a	Basic salary which shall not exceed ₹ 1.08 Crores per annum
	b	Allowances, the aggregate monetary value of which shall not exceed ₹ 0.48 Crores per annum. These allowances would be in addition to the items mentioned in clause "c" and "d" below:
	c	<p>Perquisites:</p> <p>I. Fully furnished house or house rent not exceeding ₹ 0.54 Crores per annum in lieu thereof.</p> <p>II. Mediclaim Policy, Personal Accident Insurance, Leave Travel Concession and Club Fees as per the Rules of the Company.</p> <p>Perquisites will be valued as per the Income Tax Rules, wherever applicable, and in the absence of such Rules, the perquisites will be valued at the actual cost to the Company.</p>
	d	<p>Apart from remuneration, Mr. Hrishikesh A. Mafatlal will also be entitled to:</p> <p>I. Free use of Company's car for the business of the Company with reimbursement of driver's salary.</p> <p>II. Free telephone facility at residence and use of mobile phone facility.</p> <p>III. Reimbursement of expenses actually and properly incurred by him for the business of the Company.</p>

He shall not be entitled to any sitting fees for attending the meetings of the Board of Directors or any Committees thereof. Subject to the provisions of Section 152 of the Companies Act, 2013, he shall be liable to retire by rotation.

It may be noted that Mr. Hrishikesh A. Mafatlal, Executive Chairman, has voluntarily waived his remuneration until October 31, 2026, for both his current term as well as the previous term. Accordingly, no remuneration has been paid to him by the Company during his present tenure commencing from November 01, 2021, to date.

A copy of the Letter of Appointment dated May 05, 2026, setting out the terms and conditions of the appointment would be available for inspection. Members seeking to inspect such documents can send an email to [ahmedabad@mafatlals.com](mailto:ahmedabad@mafatlals.com).

Mr. Hrishikesh A. Mafatlal has furnished his consent to the Board, for re-appointment as Executive Director of the Company. He has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority. Mr. Hrishikesh A. Mafatlal confirmed that he satisfies all the conditions set out under Section 196(3) and in Part-I of Schedule V to

the Act, for being eligible for re-appointment as Executive Director of the Company and he is not disqualified from being a Director in terms of Section 164 of the Act.

The details required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2 enclosed as an **Annexure-I** to the Notice.

As Mr. Hrishikesh A. Mafatlal has attained the age of seventy-two years and his proposed re-appointment is governed by the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, the approval of the Members by way of a Special Resolution is being sought as set out in Item No. 6 of the accompanying Notice. The Board of Directors recommends the Special Resolution set out at Item No. 6 of the Notice for the approval of the Members.

None of the Directors or Key Managerial Personnel or their relatives except Mr. Hrishikesh A. Mafatlal himself, and Mr. Priyavrata H. Mafatlal (son of Mr. Hrishikesh A. Mafatlal) and their relatives to the extent of their shareholding, are in any way concerned or interested, financially or otherwise, in the resolution at Item No. 6 of this Notice.

**NOTICE (Contd.)****IN RESPECT OF ITEM NO. 7:**

As per the provisions of Sections 149, 197, 198, and other applicable provisions, if any of the Companies Act, 2013 (the Act) read with Schedule V thereof and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("the Rules") and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, and considering the roles, responsibilities and contribution of the Directors, it is proposed that the remuneration by way of commission be paid, collectively to all the Non-Executive Independent Directors (NEIDs), including those NEIDs of the Company who ceased to be Director of the Company during the financial year ended on March 31, 2026. This proposed payment is under Section 197(3) read with Schedule V of the Act.

The NEIDs of the Company bring with them extensive experience and domain knowledge and expertise across diverse areas including, but not limited to, strategic

management, industry-specific insights, finance and risk management, corporate governance, public policy, and global business practices. Their active participation in Board and Committee meetings, coupled with their independent judgment and strategic oversight, significantly contributes to the quality of the Company's decision-making and its commitment to maintaining the highest standards of corporate governance. In recognition of their valuable contribution and with a view to attracting and retaining individuals possessing rich experience and expertise, the Nomination and Remuneration Committee, at its meeting held on May 05, 2026, recommended payment of remuneration by way of commission to the NEIDs. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on May 05, 2026, approved the payment of commission to the NEIDs, subject to the approval of the Members by way of a Special Resolution

<b>Sr. No.</b>	<b>Name of Non-Executive Independent Directors</b>	<b>(₹)</b>
1.	Mr. Atul K. Srivastava	15,00,000
2.	Mr. Abhay R. Jadeja	15,00,000
3.	Mr. Ashutosh S. Bishnoi	15,00,000
4.	Mr. Jyotin K. Mehta	15,00,000
5.	Mr. Desh Deepak Khetrupal	15,00,000
6.	Dr. Archana N. Hingorani	15,00,000
7.	Mr. Sujal A. Shah (up to May 29, 2025)	3,00,000
8.	Mr. Gautam G. Chakravarti (up to May 29, 2025)	3,00,000

It is also emphasized that the payment of remuneration by way of commission to NEIDs is in accordance with the Nomination and Remuneration Policy of the Company. The same is available on the Company's website at: <https://www.mafatlals.com/investors/>.

The information required to be disclosed pursuant to paragraph (iv) of the second proviso after Paragraph B of Section II of Part II of Schedule V to the Companies Act, 2013 is annexed herewith as **Annexure-II** forming part of this Notice.

The Company has not defaulted on the payment of dues to any bank, public financial institution, non-convertible debenture holders, or secured creditors.



## NOTICE (Contd.)

None of the Interested Directors (including those who ceased to be Directors during the financial year 2025-26) hold shares exceeding two percent (2%) of the paid-up share capital of the Company. Further, pursuant to the provisions of Regulation 17(6) (ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Non-Executive Independent Director receives remuneration exceeding fifty percent of the aggregate annual commission payable to all Non-Executive Directors.

Accordingly, approval of the Members is sought by way of a Special Resolution as set out in Item No. 7 of the Notice. The Board recommends the resolution in Item No. 7 of this Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel, or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution at item No. 7 except Mr. Atul K. Srivastava, Mr. Abhay R. Jadeja, Mr. Ashutosh S. Bishnoi, Mr. Jyotin K. Mehta, Mr. Desh Deepak Khetrpal, Dr. Archana N. Hingorani, Mr. Sujal A. Shah and Mr. Gautam G. Chakravarti, to the

extent of proposed remuneration by way of commission to be paid to them pursuant to Item No. 7 of the Notice.

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

**Amish P. Shah**  
Company Secretary  
(ACS: 20622)

Place: Mumbai  
Date: May 05, 2026

**Regd. Office:**  
Mafatlal Industries Limited  
(CIN L17110GJ1913PLC000035)  
301-302, Heritage Horizon, 3<sup>rd</sup> Floor, Off C. G. Road,  
Navrangpura, Ahmedabad - 380 009.  
Tel: 079-2644 4404-06  
Email: [ahmedabad@mafatlals.com](mailto:ahmedabad@mafatlals.com)  
Website: [www.mafatlals.com](http://www.mafatlals.com)



## NOTICE (Contd.)

**Annexure - I to Notice**

Particulars of the Directors seeking appointment/re-appointment pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India (ICSI):

<b>Name &amp; DIN</b>	<b>Mr. Priyavrata H. Mafatlal (DIN 0243237)</b>
<b>Age</b>	39 years
<b>Qualifications</b>	He holds a Master of Commerce degree with a specialization in Marketing from the University of Mumbai and is also an alumnus of Harvard Business School, USA.
<b>Nationality</b>	Indian
<b>Experience (including expertise in specific functional area)/Brief Resume</b>	He is an industrialist with over 18 years of diverse experience in textiles, information technology, chemicals, and other businesses.
<b>Date of first appointment on the Board</b>	November 01, 2016
<b>Directorships held in other Companies (Public Limited Companies)</b>	NOCIL Limited
<b>Resignations from the Listed Companies in the past three years</b>	None
<b>Memberships/Chairmanships of Committees of other Companies</b>	<b>Mafatlal Industries Limited</b> Member of Stakeholders Relationship Committee
<b>#Only membership/chairmanship of Audit committee and Stakeholders/shareholders Relationship Committee is considered</b>	<b>NOCIL Limited</b> Chairman of Stakeholders Relationship and Investors' Grievance Committee
<b>Number of Equity Shares held in the Company, including shareholding as a beneficial owner</b>	500 Equity Shares of ₹ 2/- each
<b>Relationship between Directors and other KMPs inter-se</b>	He is the son of Mr. Hrishikesh A. Mafatlal, Executive Chairman of the Company.
<b>Number of Meetings of the Board, Audit Committee and the Stakeholders' Relationship Committees attended during the financial year 2025-26</b>	Attended all 7 Board Meetings. Attended 1 Stakeholders' Relationship Committee Meeting.
<b>Remuneration (including sitting fees, if any) drawn in financial year 2025-26 and terms and conditions of re-appointment</b>	The remuneration paid to Mr. Priyavrata H. Mafatlal during the financial year 2025-26 is disclosed in the Corporate Governance Report forming part of the Annual Report.  The revised remuneration structure for a period of three years, effective from June 01, 2026 to May 31, 2029, is set out in the Explanatory Statement forming part of the Notice.  In terms of Section 152(6) of the Companies Act, 2013, Mr. Priyavrata H. Mafatlal shall be liable to retire by rotation.  The Board of Directors shall have the liberty and authority to increase, alter, and revise the designation, remuneration, and/or other terms and conditions of appointment of Mr. Priyavrata H. Mafatlal, from time to time subject to applicable provisions of law and approvals, as may be required.
<b>Information as required pursuant to BSE circular ref. no. LIST/COMP/14/2018-19</b>	Mr. Priyavrata H. Mafatlal, is not debarred from holding the office of Director pursuant to any SEBI order or any other authority.



NOTICE (Contd.)

<b>Name &amp; DIN</b>	<b>Mr. Hrishikesh A. Mafatlal (DIN 00009872)</b>
<b>Age</b>	72 years
<b>Qualifications</b>	He holds an Honors degree in Commerce from Sydenham College, Mumbai, and completed the Advanced Management Program (AMP) at Harvard Business School, USA, in 1993.
<b>Nationality</b>	Indian
<b>Experience (including expertise in specific functional area)/Brief Resume</b>	He is an industrialist with diversified experience of more than 49 years in Textiles, Chemicals, Engineering, Petrochemicals, and Financial Services, among others.
<b>Date of first appointment on the Board</b>	May 03, 1979
<b>Directorships held in other Companies (Public Limited Companies)</b>	NOCIL Limited
<b>Resignations from the Listed Companies in the past three years</b>	None
<b>Memberships/Chairmanships of Committees of other Companies</b>	<b>Mafatlal Industries Limited</b> Member of Stakeholders Relationship Committee
<b>#Only membership/chairmanship of Audit committee and Stakeholders/ shareholders Relationship Committee is considered</b>	<b>NOCIL Limited</b> Member of Stakeholders Relationship and Investors' Grievance Committee
<b>Number of Equity Shares held in the Company, including shareholding as a beneficial owner</b>	1,14,11,290 Equity Shares of ₹ 2/- each
<b>Relationship between Directors and other KMPs inter-se</b>	He is the father of Mr. Priyavrata H. Mafatlal, Managing Director and Chief Executive Officer of the Company.
<b>Number of Meetings of the Board, Audit Committee and the Stakeholders' Relationship Committees attended during the financial year 2025-26</b>	Attended all 7 Board Meetings. Attended 1 Stakeholders' Relationship Committee Meeting.
<b>Remuneration (including sitting fees, if any) drawn in financial year 2025-26 and terms and conditions of re-appointment</b>	Mr. Hrishikesh A. Mafatlal, Executive Chairman, has voluntarily waived his remuneration since his appointment with effect from November 01, 2016. Accordingly, no remuneration has been paid to him by the Company during his tenure.  It is proposed to re-appoint Mr. Hrishikesh A. Mafatlal as Executive Chairman of the Company for a further term of two (2) years, with effect from November 01, 2026, up to October 31, 2028.  In terms of Section 152(6) of the Companies Act, 2013 Mr. Hrishikesh A. Mafatlal shall be liable to retire by rotation  The re-appointment is in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013 and Regulation 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
<b>Information as required pursuant to BSE circular ref. no. LIST/COMP/14/2018-19</b>	Mr. Hrishikesh A. Mafatlal, is not debarred from holding the office of Director pursuant to any SEBI order or any other authority.



## NOTICE (Contd.)

**Annexure II to Notice**

The information as required under Para (iv) of Section II of Part II of Schedule V to the Companies Act, 2013 in respect of payment of remuneration by way of commission to the Non-Executive Independent Directors ("NEIDs") and remuneration to the Executive Director and Managing Director for the financial year 2025-26 is provided below:

**A. I. General Information:****(1) Nature of industry:**

The Company is engaged in the manufacture and trading of textiles and related products, digital infrastructure and consumer durables and related product segments.

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

The Company has been in business since its incorporation.

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

Not applicable

**(4) Financial performance based on given indicators:**

(₹ in Crores)

Particulars	For the financial year ended on March 31, 2026	For the financial year ended on March 31, 2025	For the financial year ended on March 31, 2024
Total turnover and other operational income	3,902.15	2,845.30	2,142.22
EBITDA (Excluding exceptional items)	124.85	106.53	109.38
Net profit after tax	91.07	98.14	98.75

**(5) Foreign investment or collaboration:**

None

**(6) Information about the appointees:**

1. Mr. Priyavrata H. Mafatlal (DIN 02433237) Managing Director and Chief Executive Officer, and
2. Mr. Hrishikesh A. Mafatlal (DIN 00009872), Executive Chairman

**(1) (a) Background details: Mr. Priyavrata H. Mafatlal (DIN 02433237)**

Mr. Priyavrata H. Mafatlal, aged 39 years, holds a Master of Commerce degree from the University of Mumbai with specialization in Marketing and is also an alumnus of the Harvard Business School, USA. He is an industrialist, having diversified business experience of more than 18 years across textiles, information technology, chemicals and other business sectors.

He was appointed as an Executive Director of the Company with effect from November 01, 2016. Thereafter, the shareholders of the Company, at the 107<sup>th</sup> Annual General Meeting held on July 30, 2021, approved his appointment as Managing Director and Chief Executive Officer (MD & CEO) of the Company for a period of five years with effect from November 01, 2021.

Subsequently, upon the appointment of Mr. M. B. Raghunath as Chief Executive Officer (CEO) of the Company with effect from April 01, 2022, Mr. Priyavrata H. Mafatlal continued as Managing Director (MD) of the Company and is presently designated as the Managing Director (MD) with effect from April 01, 2022.



NOTICE (Contd.)

**(b) Past Remuneration:**

(₹ In Crores)

	2023-24	2024-25	2025-26
Salary, allowances, perquisites and performance linked incentive	2.58	3.26	3.70

**(c) Recognition and Awards:**

Not Applicable

**(d) Job profile and suitability:**

Mr. Priyavrata H. Mafatlal has acquired rich and diverse experience through his association with various businesses and divisions of the Company as well as other group companies for over 18 years. Over the years, he has gained significant exposure in business operations, management and strategic decision-making, and has successfully discharged various responsibilities entrusted to him.

Considering his overall experience, expertise, leadership capabilities and continued contribution toward the growth and management of the Company, the Board is of the view that he is well suited for the position of Managing Director and Chief Executive Officer (MD & CEO). Accordingly, the Board has proposed to re-appoint and re-designate Mr. Priyavrata H. Mafatlal as the Managing Director and Chief Executive Officer (MD & CEO) of the Company, prior to the expiry of his existing term ending on October 31, 2026, for a further period of three years commencing from June 01, 2026 and ending on May 31, 2029 on the revised terms and conditions.

**(e) Remuneration proposed:**

The remuneration proposed, for Mr. Priyavrata H. Mafatlal, is mentioned in the Explanatory Statement in respect of Item No. 5 of the Notice convening 112<sup>th</sup> Annual General Meeting.

**(2) (a) Background details:** Mr. Hrishikesh A. Mafatlal (DIN: 00009872)

Mr. Hrishikesh A. Mafatlal is the Chairman and Promoter Director of the Company. He earned an Honors degree in Commerce from Sydenham College, Mumbai, in 1975 and completed the Advanced Management Program (AMP) at Harvard Business School, USA, in 1993. Mr. Hrishikesh A. Mafatlal has diversified industrial experience of more than 49 years across textiles, chemicals, petrochemicals engineering, financial services and other business sectors. He served on the Board of Governors of the Indian Institute of Management, Ahmedabad for 12 years and was also the Vice-Chairman of the Cotton Textiles Export Promotion Council (TEXPROCIL). He is presently the Chairman and Promoter Director of NOCIL Limited.

He was appointed as Executive Chairman of the Company for a period of five years, with effect from November 01, 2016, to October 31, 2021. Thereafter, the Members, by way of a special resolution passed at the 107<sup>th</sup> Annual General Meeting, re-appointed him as Executive Chairman for a further term of five (5) years, commencing from November 01, 2021, to October 31, 2026.

**(b) Past remuneration:**

Mr. Hrishikesh A. Mafatlal, Executive Chairman, has voluntarily waived receipt of remuneration since his appointment on November 01, 2016.

**(c) Recognition and Awards:**

Not Applicable



## NOTICE (Contd.)

**(d) Job profile and suitability:**

Mr. Hrishikesh A. Mafatlal, Executive Chairman of the Company, possesses rich and diverse experience across the textiles, chemicals, engineering, financial services and petrochemicals. He has been associated with the Company for over four decades and has played a significant role in guiding and strengthening the Company through various challenging business and economic conditions.

Under his able leadership, strategic vision and management guidance, the Company has successfully navigated critical business scenarios and continued to maintain stability and growth. Considering his extensive experience, expertise, leadership qualities and the responsibilities shouldered by him, the Board considers it desirable to re-appoint Mr. Hrishikesh A. Mafatlal as the Executive Chairman of the Company for a further period of two years commencing from November 01, 2026 and ending on October 30, 2028.

**(e) Remuneration proposed:**

The remuneration proposed for Mr. Hrishikesh A. Mafatlal, is mentioned in the Explanatory Statement in respect of Item No. 6 of the Notice convening 112<sup>th</sup> Annual General Meeting.

**A. II. Information about the remuneration by way of commission paid to the Non-Executive Independent Directors (NEIDs):**

## a. Background Details:

Sr. No.	Name of Non-Executive Independent Directors and DIN	Other Details			
		Educational Qualifications	Years of Experience	Date of Appointment	Date of Cessation, if any
1.	Mr. Atul K. Srivastava (DIN: 00046776)	B.Sc. (Hons.) Physics, FCA	49+	October 10, 2012	-
2.	Mr. Abhay R. Jadeja (DIN: 03319142)	B. Com., LL.B.	21+	May 27, 2024	-
3.	Mr. Ashutosh S. Bishnoi (DIN: 02926849)	M.B.A., Mahindra Universe Program at the Harvard Business School, Boston (USA)	42+	May 27, 2024	-
4.	Mr. Jyotin K. Mehta (DIN: 00033518)	B.Com., FCA, FCS, FCMA	41+	October 26, 2024	-
5.	Mr. Desh Deepak Khetrupal (DIN: 02362633)	B.Com. (Hons.), M.B.A. (Marketing & Finance)	51+	February 04, 2025	-
6.	Dr. Archana N. Hingorani (DIN: 00028037)	B.A., M.B.A., Ph.D. in Philosophy	31+	February 04, 2025	-
7.	Mr. Sujal A. Shah (DIN: 00058019)	B. Com., FCA	35+	May 30, 2015	May 29, 2025
8.	Mr. Gautam G. Chakravarti (DIN: 00004399)	B.Sc., M.A. (Economics), Post Graduate Program in Management from IIM, Ahmedabad	50+	May 30, 2015	May 29, 2025



NOTICE (Contd.)

**For more details of NEIDs, refer to the Corporate Governance Report.**

<p>b. Past remuneration:</p>	<p>Apart from sitting fees, pursuant to the Special Resolution passed at the 111<sup>th</sup> Annual General Meeting of the Company, an aggregate remuneration of ₹ 75 Lakhs were paid by way of commission to the Non-Executive Independent Directors (NEID) of the Company, including those Directors who were appointed and/or ceased to hold office during the financial year ended March 31, 2025.</p> <p>Details of an aggregate remuneration of ₹ 75 Lakhs was paid by way of commission to the NEID during the financial year ended March 31, 2025:</p> <table border="1" data-bbox="604 652 1315 1191"> <thead> <tr> <th>Sr. No.</th> <th>Name of Non-Executive Independent Directors</th> <th>F.Y. 2024-25 (₹)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Mr. Vilas R. Gupte (up to August 04, 2024)</td> <td>5,00,000</td> </tr> <tr> <td>2.</td> <td>Mr. Pradip N. Kapadia (up to August 04, 2024)</td> <td>5,00,000</td> </tr> <tr> <td>3.</td> <td>Mr. Sujal A. Shah</td> <td>9,00,000</td> </tr> <tr> <td>4.</td> <td>Mrs. Latika P. Pradhan</td> <td>9,00,000</td> </tr> <tr> <td>5.</td> <td>Mr. Gautam G. Chakravarti</td> <td>9,00,000</td> </tr> <tr> <td>6.</td> <td>Mr. Atul K. Srivastava</td> <td>9,00,000</td> </tr> <tr> <td>7.</td> <td>Mr. Abhay R. Jadeja (from May 27, 2024)</td> <td>9,00,000</td> </tr> <tr> <td>8.</td> <td>Mr. Ashutosh S. Bishnoi (from May 27, 2024)</td> <td>9,00,000</td> </tr> <tr> <td>9.</td> <td>Mr. Jyotin K. Mehta (from October 26, 2024)</td> <td>5,00,000</td> </tr> <tr> <td>10.</td> <td>Mr. Desh Deepak Khetrapal (from February 04, 2025)</td> <td>3,00,000</td> </tr> <tr> <td>11.</td> <td>Dr. Archana N. Hingorani (from February 04, 2025)</td> <td>3,00,000</td> </tr> </tbody> </table>	Sr. No.	Name of Non-Executive Independent Directors	F.Y. 2024-25 (₹)	1.	Mr. Vilas R. Gupte (up to August 04, 2024)	5,00,000	2.	Mr. Pradip N. Kapadia (up to August 04, 2024)	5,00,000	3.	Mr. Sujal A. Shah	9,00,000	4.	Mrs. Latika P. Pradhan	9,00,000	5.	Mr. Gautam G. Chakravarti	9,00,000	6.	Mr. Atul K. Srivastava	9,00,000	7.	Mr. Abhay R. Jadeja (from May 27, 2024)	9,00,000	8.	Mr. Ashutosh S. Bishnoi (from May 27, 2024)	9,00,000	9.	Mr. Jyotin K. Mehta (from October 26, 2024)	5,00,000	10.	Mr. Desh Deepak Khetrapal (from February 04, 2025)	3,00,000	11.	Dr. Archana N. Hingorani (from February 04, 2025)	3,00,000
Sr. No.	Name of Non-Executive Independent Directors	F.Y. 2024-25 (₹)																																			
1.	Mr. Vilas R. Gupte (up to August 04, 2024)	5,00,000																																			
2.	Mr. Pradip N. Kapadia (up to August 04, 2024)	5,00,000																																			
3.	Mr. Sujal A. Shah	9,00,000																																			
4.	Mrs. Latika P. Pradhan	9,00,000																																			
5.	Mr. Gautam G. Chakravarti	9,00,000																																			
6.	Mr. Atul K. Srivastava	9,00,000																																			
7.	Mr. Abhay R. Jadeja (from May 27, 2024)	9,00,000																																			
8.	Mr. Ashutosh S. Bishnoi (from May 27, 2024)	9,00,000																																			
9.	Mr. Jyotin K. Mehta (from October 26, 2024)	5,00,000																																			
10.	Mr. Desh Deepak Khetrapal (from February 04, 2025)	3,00,000																																			
11.	Dr. Archana N. Hingorani (from February 04, 2025)	3,00,000																																			
<p>c. Job profile and suitability</p>	<p>NEIDs of the Company play an important role in sustainable growth, attaining the overall strategic goals of the Company and ensuring adoption of good governance practices. The Independent Directors of the Company bring with them significant professional expertise and rich experience and knowledge across a wide spectrum of functional areas such as business strategy, finance and corporate governance. They actively engage with the Management for fostering the effectiveness of the Company's performance and setting high-quality governance standards and norms for the Company.</p>																																				
<p>d. Remuneration proposed:</p>	<p>As stated in Explanatory Statement of Item No. 7 of the Notice.</p>																																				

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

Considering the size of the Company, the industry benchmarks, experience of the appointees and NEID's, and the responsibilities to be shouldered by each of the appointee, the proposed remuneration by way of commission commensurate with the remuneration paid to similar appointees and NEIDs in other companies.



## NOTICE (Contd.)

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

Except for the proposed remuneration, Mr. Hrishikesh A. Mafatlal and Mr. Priyavrata H. Mafatlal do not have any pecuniary relationship, directly or indirectly, with the Company or its managerial personnel. Mr. Hrishikesh A. Mafatlal and Mr. Priyavrata H. Mafatlal are related to each other, with Mr. Hrishikesh A. Mafatlal being the father of Mr. Priyavrata H. Mafatlal. Both are Promoters and shareholders of the Company.

Except for Mr. Abhay R. Jadeja, none of the Non-Executive Independent Directors has any pecuniary relationship or transaction with the Company other than the payment of sitting fees and the proposed remuneration by way of commission. The Company has availed legal professional services from Jadeja & Partners (formerly known as Jadeja and Satiya), a Mumbai-based law firm in which Mr. Abhay R. Jadeja, Independent Director of the Company, is a partner. The professional fees paid to the firm were determined on the basis of prevailing market rates and the transaction was carried out in the ordinary course of business.

**III. Other Information:****Reasons of loss or inadequate profits:**

The Company has not incurred any loss during the last three financial years and has consistently remained profitable. However, for the purpose of payment of managerial remuneration, the Company has inadequacy of profits as computed under Section 198 of

the Companies Act, 2013. Accordingly, the Company proposes to pay remuneration by way of commission collectively to all the Non-Executive Independent Directors ("NEIDs"), including those who ceased to be Directors of the Company during the financial year 2025-26, subject to the approval of the Members by way of a Special Resolution.

**Steps Taken or Proposed to be Taken for Improvement and Expected Increase in Productivity and Profits in Measurable Terms.**

Over the last four financial years, the Company has undertaken various strategic initiatives aimed at improving operational efficiency and profitability. These initiatives include rationalization of fixed costs, optimization of manpower costs, development of business synergies across product portfolios, and expansion of its product range and business operations. The Company has also been pursuing an 'asset-light' business model for its manufacturing operations.

Further, the Company has implemented several measures to enhance the effectiveness of its manufacturing operations, improve inventory turnover, and strengthen and expand its marketing and distribution network. These initiatives have contributed positively to the Company's performance and enabled it to remain profitable during the last three financial years. The Company expects these measures to continue to enhance operational efficiency and support sustainable growth in productivity and profitability in the coming years.



# DIRECTORS' REPORT

To

The Members,

## Mafatlal Industries Limited

Your Board of Directors are pleased to present the 112<sup>th</sup> Annual Report on the business and operations of the Company together with the audited financial statements for the financial year ended on March 31, 2026.

## FINANCIAL RESULTS

The financial results of the Company are as under:

Particulars	(₹ in Crores)	
	<b>Current Year 2025-26</b>	<b>Previous Year 2024-25</b>
Revenue from operations	3,870.44	2,807.23
Other income	31.71	38.07
<b>Total income</b>	<b>3,902.15</b>	<b>2,845.30</b>
<b>EBITDA</b>	<b>124.85</b>	<b>106.53</b>
Less: Depreciation and amortization expenses	16.63	15.03
Less: Finance costs	8.65	10.96
<b>Profit before exceptional items</b>	<b>99.57</b>	<b>80.54</b>
Exceptional items	(2.87)	(6.00)
<b>Profit before taxes</b>	<b>96.70</b>	<b>74.54</b>
Tax expense / (benefits)	5.63	(23.60)
<b>Profit after taxes</b>	<b>91.07</b>	<b>98.14</b>

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

In 2025-26, the global economy faced headwinds stemming from shifts in trade policies, including tariff measures imposed by the United States and rising trade barriers. These pressures were partly offset by technology-driven investments, monetary support across major economies, and the adaptability of the private sector. Despite these challenges, the Indian economy demonstrated strong resilience and is expected to remain among the fastest-growing major economies in the world, supported by robust domestic consumption, expanding export opportunities, and favorable government policies.

During 2025-26, the Company delivered significant growth and improved financial performance, reflecting a broader-based expansion across the textiles, digital infrastructure, and consumer durables categories. This growth was driven by the successful execution of large-scale institutional orders, expansion of the product portfolio, and a robust pan-India supply chain network.

For 2025-26, the Company reported a total income of ₹ 3,902.15 Crores, representing year-on-year growth of 37.14%. EBITDA stood at ₹ 124.85 Crores, reflecting growth of 17.00%, while Profit Before Tax was ₹ 96.70 Crores, underscoring strong operational execution and prudent financial management.

## BORROWINGS, LOANS, GUARANTEES AND INVESTMENTS

During the year under review, the Company repaid long-term borrowings amounting to ₹ 14.26 Crores, reinforcing its commitment to prudent financial management and a stronger balance sheet. The Company extends its sincere appreciation to its banking partners and financial institutions for their continued support and confidence, which have been instrumental in facilitating its growth and meeting its financial obligations.

In accordance with the provisions of Section 186 of the Companies Act, 2013, the Company has not granted any loans or provided any guarantees during the



## DIRECTORS' REPORT (Contd.)

financial year under review. However, the Company has made an investment of ₹ 51,00,000/- (Rupees Fifty-One Lakhs only) by subscribing to 51,00,000 (Fifty-One Lakhs) equity shares of face value of ₹ 1/- (Rupee One) each in the equity share capital of its newly incorporated subsidiary, Mafatlal Apparel Exports Private Limited (MAEPL).

Further, with a view to facilitate the expansion of business activities and to meet the working capital requirements and capital expenditure of its subsidiary companies, joint venture companies, and associate companies, the Board of Directors have proposed that the Company may, from time to time, provide loans, give guarantees, or offer securities in connection with borrowings of such entities, for an aggregate amount not exceeding ₹ 150 Crores (Rupees One Hundred Fifty Crores only) outstanding at any point of time. The aforesaid limit for granting loans, guarantees, or securities is subject to the approval of the members as Special Resolutions, through postal ballot only by remote e-voting process ('e-voting') in compliance with the applicable provisions of Sections 185 and 186 of the Companies Act, 2013. The postal ballot process commenced on May 01, 2026, and the results of e-voting will be announced on or before June 03, 2026.

### CREDIT RATING

During 2025-26, the Company's credit profile witnessed a notable improvement, as evidenced by upgrades from the leading credit rating agencies.

Acuité Ratings & Research Limited revised the Company's credit rating to 'ACUITE A-' (Upgraded) with a Stable outlook for long-term facilities, and to 'ACUITE A2+' (Upgraded) for short-term facilities. This upgrade reflects the Company's stronger financial position, consistent operational performance and sound credit metrics.

CARE Ratings Limited reaffirmed the Company's credit ratings to 'CARE BBB+' with a Stable outlook for long-term facilities and 'CARE A2' for short-term facilities.

A detailed analysis of the Company's financial and operational performance is presented in the Management Discussion and Analysis Report, which forms an integral part of this Annual Report.

### DIVIDEND

During the year under review, the Board of Directors declared and paid an interim dividend of ₹ 1.25/- per equity share of ₹ 2/- each (i.e., 62.50% of the face value), which was disbursed in November 2025. Further, based on the Company's performance, the Board has recommended a Final Dividend of ₹ 1.25/- per equity share of ₹ 2/- each (i.e., 62.50% of the face value) for the financial year ended March 31, 2026, subject to the approval of members at the 112<sup>th</sup> Annual General Meeting. With this, the total dividend for the financial year 2025-26 amounts to ₹ 2.50/- per equity share of ₹ 2/- each, representing 125% of the face value.

The Company has adopted a Dividend Distribution Policy in compliance with Regulation 43A of the SEBI (LODR) Regulations, 2015, which establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company. The dividend recommendation is in accordance with the Company's Dividend Distribution Policy, which is available on the Company's website at: <https://www.mafatlals.com/investors/>.

In accordance with SEBI Circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 and SEBI Circular SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024 (effective from April 01, 2024), dividend payments will be withheld for shareholders holding shares in physical form if any KYC details are not updated as of the record date. Intimations have already been sent to the concerned shareholders, advising them to update their KYC details by submitting the relevant ISR forms along with self-attested supporting documents. These forms can be downloaded from the websites of the Company and its Registrar and Transfer Agent (RTA).

Pursuant to the Finance Act, 2020, read with applicable provisions of the Income-tax Act, 1961, dividend income is taxable in the hands of shareholders with effect from April 01, 2020. Accordingly, the Company shall deduct tax at source (TDS) on the dividend payment at the prescribed rates, in compliance with applicable tax laws.



## DIRECTORS' REPORT (Contd.)

### UNCLAIMED DIVIDEND AND INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124 of the Companies Act, 2013, any dividend remaining unclaimed for a period of seven consecutive years is required to be transferred to the Investor Education and Protection Fund ('IEPF'). Since the Company had not declared any dividend after the financial year 2016-17, no unclaimed dividend amount was otherwise due for transfer to the IEPF.

As on March 31, 2026, 10,70,984 equity shares of ₹ 2/- each, representing 1.48% of the total equity share capital of the Company, are lying with the Investor Education and Protection Fund (IEPF). Details of the shares and dividend transferred to the IEPF account are available on the Company's website at: <https://www.mafatlals.com/investors/>.

The Nodal Officer for the purpose of compliances relating to IEPF is Mr. Amish P. Shah, Company Secretary and Compliance Officer of the Company. The details of the same are mentioned on the Company's website.

### CAPITAL STRUCTURE OF THE COMPANY

During the year under review, the Company allotted an aggregate of 2,53,500 fully paid-up equity shares of ₹ 2/- each under the Mafatlal Employee Stock Option Scheme-2017. Consequently, the subscribed and paid-up equity share capital of the Company increased from ₹ 14,38,20,860/- to ₹ 14,43,27,860/-, comprising 7,21,63,930 equity shares of ₹ 2/- each.

There was no issue of equity shares with differential rights as to dividend, voting, or otherwise during the year. Additionally, the Company did not undertake any buyback of shares during the year under review.

### APPOINTMENT/RE-APPOINTMENT AND CESSATION OF DIRECTORS

#### Re-appointment of Director retiring by rotation

Pursuant to Section 152(6) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Priyavrata H. Mafatlal (DIN: 02433237), retires by rotation at the forthcoming 112<sup>th</sup> Annual General Meeting and being eligible offers himself for re-appointment.

The requisite particulars in respect of Director seeking re-appointment is provided in Notice convening the Annual General Meeting.

All the Directors of the Company have confirmed that they are not disqualified from being appointed as directors under Section 164 of the Companies Act, 2013.

#### Re-appointment of Executive Directors

The term of Mr. Hrishikesh A. Mafatlal (DIN: 00009872) as Executive Chairman will expire on October 31, 2026. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on May 05, 2026, has approved his re-appointment as Executive Chairman for a further period of two years with effect from November 01, 2026, up to October 31, 2028, on revised terms and conditions of appointment, subject to the approval of the members at the forthcoming 112<sup>th</sup> Annual General Meeting (AGM). Mr. Hrishikesh A. Mafatlal has voluntarily not drawn any remuneration during his last two terms of appointment.

The term of Mr. Priyavrata H. Mafatlal (DIN: 02433237) as Managing Director will expire on October 31, 2026. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on May 05, 2026, has approved his re-appointment and re-designation, prior to the expiry of his existing tenure on October 31, 2026, proposed to re-designate him as Managing Director and Chief Executive Officer (MD & CEO) with effect from June 01, 2026, on revised terms and conditions of appointment for a further period of three years till May 31, 2029, subject to the approval of the members at the forthcoming 112<sup>th</sup> Annual General Meeting (AGM).

Details of policy of appointment and remuneration of Directors are available on the website of the Company at: <https://www.mafatlals.com/investors/>.

#### Cessation

Upon completion of their respective second terms as Independent Director, Mrs. Latika P. Pradhan (DIN: 07118801) ceased to be an Independent Director from the close of business hours on April 16, 2025. Further, Mr. Sujal A. Shah (DIN: 00058019) and Mr. Gautam G. Chakravarti (DIN: 00004399) ceased to be an Independent Director from the close of business hours on May 29, 2025.



## DIRECTORS' REPORT (Contd.)

The Company places on record its sincere appreciation for their contribution during their tenure on the Board.

### CHANGES IN KEY MANAGERIAL PERSONNEL

In terms of Section 203 of the Act, following are the Key Managerial Personnel (KMP) of the Company during the financial year.

- Mr. Priyavrata H. Mafatlal, Managing Director and Chief Executive Officer (from June 01, 2026)
- Mr. M. B. Raghunath, Chief Executive Officer (up to May 31, 2026)
- Mr. Milan P. Shah, Chief Financial Officer (up to May 31, 2025)
- Mrs. Smita Jhanwar, Chief Financial Officer (from June 01, 2025)
- Mr. Amish P. Shah, Company Secretary

During the year under review, there were significant changes in Key Managerial Personnel of the Company.

Mr. Milan P. Shah, Chief Financial Officer of the Company, superannuated from the services of the Company with effect from May 31, 2025. Based on the recommendations of the Nomination and Remuneration Committee and the Audit Committee, the Board of Directors, at its meeting held on May 13, 2025, approved the appointment of Mrs. Smita Jhanwar as the Chief Financial Officer (CFO) of the Company with effect from June 01, 2025. She has been with the Company for over nine years and was appointed as Vice President-(Finance) in the previous year.

Mr. M. B. Raghunath, Chief Executive Officer of the Company, will superannuate on the completion of sixty years of age with effect from May 31, 2026. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on May 05, 2026, approved the re-appointment and re-designation of Mr. Priyavrata H. Mafatlal as Managing Director and Chief Executive Officer (MD & CEO) of the Company with effect from June 01, 2026. Post superannuation, Mr. M. B. Raghunath will continue to contribute to the Company in the areas of Strategy and Projects.

### COMMITTEES OF BOARD

As required under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Company has constituted various Statutory Committees. As of March 31, 2026, the Board has constituted the following committees/sub-committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship/Investor's Grievance Committee
- Corporate Social Responsibility (CSR) Committee
- Share Allotment Committee
- Investment and Diversification Committee

The details including the composition of the Committees, attendance at the Meetings and terms of reference are included in the Corporate Governance Report, which forms a part of the Annual Report 2025-26.

### INDEPENDENT DIRECTORS AND THEIR MEETING

In terms of Section 149 of the Companies Act, 2013, Mr. Atul K. Srivastava, Mr. Ashutosh S. Bishnoi, Mr. Abhay R. Jadeja, Mr. Jyotin K. Mehta, Mr. Desh Deepak Khetrpal and Dr. Archana N. Hingorani are the Independent Directors of the Company. Two separate meetings of the Independent Directors were duly held during the financial year.

In accordance with Regulation 25(8) of the SEBI (LODR) Regulations, 2015, all Independent Directors has confirmed that they are not aware of any circumstances or situation which exists or may reasonably be anticipated to impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015, and that they are independent of the management.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise and experience



## DIRECTORS' REPORT (Contd.)

(including proficiency in terms of Section 150(1) of the Companies Act, 2013 and applicable rules thereunder) of all Independent Directors on the Board.

Further, in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, time to time, the Independent Directors of the Company have included their names in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

During the year under review, the Non-Executive Independent Directors ('NEIDs') of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and remuneration by way of commission, as applicable, received by them except Mr. Abhay R. Jadeja.

The Company has availed legal professional services from Jadeja & Partners (formerly known as Jadeja and Satiya), a Mumbai-based law firm in which Mr. Abhay R. Jadeja, Independent Director of the Company, is a partner. The said firm provides legal consultancy services, including consultation, drafting, vetting, and review of various legal documents and matters, as and when required by the Company. The professional fees paid to the firm were determined on the basis of prevailing market rates. All transactions with the said law firm were undertaken on an arm's length basis and in the ordinary course of business. The Board is of the opinion that such engagements are in the best interest of the Company.

The aforesaid related party transactions were duly reviewed and approved by the Audit Committee in accordance with the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The details of payments made during the year form part of the Related Party Transactions disclosed in the standalone and consolidated financial statements of the Company.

### BOARD EVALUATION

Pursuant to the applicable provisions of the Companies Act, 2013, as amended from time to time and in accordance with Regulations 17 and 25 of the SEBI (LODR) Regulations, 2015, the Board of Directors

have carried out an annual evaluation of its own performance, the performance of Individual Directors and the functioning of its Committees, including the Audit Committee, the Nomination and Remuneration Committee and other Committees of the Board.

The performance evaluation of the Whole-Time/ Executive Directors was conducted based on various qualitative and quantitative criteria including, but not limited to, qualifications, experience, domain knowledge, commitment, integrity, leadership capabilities, strategic vision, level of engagement, transparency, analytical skills, decision-making and adherence to sound governance practices.

The Board noted with appreciation the valuable contributions, strategic insights, and guidance provided by each Director, which have been instrumental in achieving the Company's objectives and fostering sustainable growth.

In addition, as required under Regulation 25 of the SEBI (LODR) Regulations, 2015, two separate meetings of the Independent Directors were held, where the performance of the Non-Independent Directors, the Board as a whole, and the Chairperson of the Company was half-yearly reviewed and evaluated.

### POLICY ON APPOINTMENT OF DIRECTORS AND BOARD DIVERSITY

In terms of the provisions of Section 178(3) of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II to SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee (NRC) is responsible for determining the qualifications, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board, a policy relating to the remuneration of the Managing Director, Executive Directors and Directors. Your Company recognizes and embraces the importance of a diverse Board in its success. The Board has adopted the Board Diversity Policy, which sets out the approach to the diversity of the Board of Directors, as well as the Policy on appointment of Directors and Board diversity. The policy is available on the website of the Company at <https://www.mafatlals.com/investors/>.



## DIRECTORS' REPORT (Contd.)

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board, to the best of their knowledge and based on the information and explanations received from the management of the Company, confirms that:

- i. The applicable accounting standards have been followed in preparation of annual accounts for the financial year ended on March 31, 2026, and proper explanations have been furnished relating to material departures.
- ii. Accounting policies have been selected and applied consistently, and prudent judgments and estimates have been made to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review.
- iii. Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The annual accounts for the financial year ended on March 31, 2026, have been prepared on a going concern basis.
- v. Internal financial controls are in place and such financial controls are adequate and operating effectively.
- vi. Adequate systems to ensure compliance with the provisions of all applicable laws are in place and operating effectively.

### EMPLOYEE STOCK OPTION SCHEME-2017

At the 103<sup>rd</sup> Annual General Meeting held on August 02, 2017, the shareholders of the Company approved, by way of a Special Resolution, the creation of an Employee Stock Option Pool comprising 34,75,000 equity shares (post-adjustment for the sub-division of equity shares from ₹ 10/- each to ₹ 2/- each), under the Mafatlal Employee Stock Option Scheme-2017 (ESOP Scheme- 2017).

The ESOP Scheme - 2017 has been formulated in compliance with the provisions of the Securities and

Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time, and is also aligned with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

In accordance with regulatory requirements, a certificate from Umesh Ved & Associates, Secretarial Auditors of the Company, confirming that the Scheme complies with the applicable SEBI regulations, will be made available for inspection by shareholders at the forthcoming 112<sup>th</sup> Annual General Meeting. The disclosures as mandated under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, along with other applicable statutory information, are provided in **Annexure C** to this Report.

### SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the financial year, the Company incorporated a subsidiary, Mafatlal Apparel Exports Private Limited (MAEPL), in which it holds 51% of the equity share capital. Accordingly, MAEPL has been classified as a subsidiary of the Company in accordance with the provisions of the Companies Act, 2013.

The incorporation of MAEPL aligns with the Company's long-term vision to diversify its garment operations, strengthen export capabilities, and establish a global presence through strategic partnerships and market-driven initiatives. All requisite disclosures in connection with the incorporation of MAEPL have been duly made to BSE Limited in accordance with the SEBI (LODR) Regulations, 2015.

The financial details of the subsidiaries are included in the notes to the Consolidated Financial Statements forming part of this Annual Report. The Company does not have any material subsidiary or associate company as defined under applicable regulations. However, the Company has formulated a policy for determining material subsidiary(ies) and such policy has been disclosed on the Company's website and can be accessed at: <https://www.mafatlals.com/investors/>

In accordance with the provisions of Section 129(3) of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the Company's subsidiaries has been annexed in the prescribed **Form AOC-1**.



## DIRECTORS' REPORT (Contd.)

The audited financial statements of the subsidiaries of the Company for the financial year ended March 31, 2026, have been made available on the Company's website at: [www.mafatlals.com/investors](http://www.mafatlals.com/investors).

These documents are open for inspection by any member at the Registered Office of the Company on all working days (Monday to Friday) between 3:00 p.m. to 5:00 p.m. The Company will also provide copies of the said documents to any member upon request.

The Company does not have any joint ventures or associate companies during the year or at any time after the closure of the year and till the date of the report.

As reported last year, Al Fahim Mafatlal Textiles LLC (UAE) (JV Company) remained non-operational and since there is no foreseeable beneficial future, the Board of Directors of the Company and the JV Partner have consented for voluntary winding up/closure of that entity. The Company has also written to the Ministry of Commerce, Department of Economic Development, Dubai that there has been no operation of the said JV Company since 2016 and accordingly, the Company has not applied for 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. Other than as disclosed herein, there is no company that has ceased to be subsidiary, associate or joint venture of the Company during the financial year.

### DEPOSITS

The Company has neither accepted nor renewed any deposits during the financial year ended March 31, 2026, and as such, does not hold any deposits within the meaning of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, no disclosure or reporting is required in respect of deposits under the said provisions.

### MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments in the business operations of the Company for the financial year ended March 31, 2026 to the date of the signing of the Directors' Report.

### INTERNAL FINANCIAL CONTROL (IFC)

The existing IFCs 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.

### AUDIT TRAIL AND DATA BACK UP

Based on the examination, the Management confirms that the Company has used accounting software for maintaining its books of accounts which has a feature of audit trail (edit log) and that has operated throughout the year for all relevant transactions recorded in the software except that audit trail was not available in case of modification with certain specific functionality in the application and for direct database changes. Further, the Company has not noticed any instance of audit trail feature being tampered with in cases where the audit trail feature was enabled. Further, the audit trail, to the extent maintained in the prior year, has been preserved. Further, the Company has also implemented practices for daily backups of the entire database and application in remote locations.

### SHARES LYING IN UNCLAIMED SUSPENSE ESCROW ACCOUNT IN ELECTRONIC MODE

As of March 31, 2026, a total of 2,000 equity shares were lying in the Unclaimed Share Suspense Account in accordance with Regulation 39(4) read with Schedule VI of the SEBI (LODR) Regulations, 2015.

The voting rights on these shares shall remain frozen until the rightful owners claim their shares. Shareholders entitled to these shares may claim them by following the procedure prescribed under the applicable laws and regulations.

SEBI w.e.f. April 02, 2026, has dispensed with the requirement of Letter of Confirmation (LOC) and enabled direct credit of verified securities to investors' demat accounts.

### SUCCESSION PLAN

The Company has an effective mechanism for succession planning focusing on the orderly succession of Directors, Key Managerial Personnel and Senior



## DIRECTORS' REPORT (Contd.)

Management. The Nomination and Remuneration Committee implements this mechanism in concurrence with the Board.

### FAMILIARISATION PROGRAMMES FOR THE INDEPENDENT DIRECTORS

The Company conducts familiarization programmes for its Independent Directors to provide insights into the nature of the industry in which the Company operates, as well as its business model. These programmes are designed to enable the Directors to perform their roles effectively and contribute meaningfully to Board deliberations.

In addition, the Directors are periodically updated on significant regulatory developments, including amendments to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, particularly those pertaining to their roles, rights, and responsibilities.

There is also regular interaction between the Independent Directors and the Key Managerial Personnel (KMPs) to ensure a deeper understanding of the Company's operations and key strategic initiatives.

The details of the familiarization programmes are available on the Company's website at: <https://www.mafatlals.com/investors/>.

### CODE FOR PREVENTION OF INSIDER TRADING

The Company has adopted a comprehensive Code of Conduct ('Code') to regulate, monitor, and report trading in its securities by designated persons and their immediate relatives, in line with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.

The Code lays down detailed procedures to be followed by designated persons while trading in the Company's securities and while handling or sharing Unpublished Price Sensitive Information ('UPSI'). It includes provisions for maintaining a structured digital database, implementing a robust mechanism for the prevention of insider trading, and sensitising employees about the significance and confidentiality of UPSI.

Additionally, the Code incorporates a Code of Practices and Procedures for Fair Disclosure of UPSI, ensuring

transparent and timely disclosure in accordance with regulatory requirements.

The Code is available on the Company's website at: <https://www.mafatlals.com/investors/>.

### INDUSTRIAL RELATIONS

The relationship between the employees and management remained cordial and harmonious throughout the financial year under review. As of March 31, 2026, the Company had 1,060 permanent employees on its payroll, compared to 1,043 in the previous financial year.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Mafatlal Industries Limited, a part of the Arvind Mafatlal Group, has been deeply committed to its social responsibilities, long before CSR became a statutory obligation. The Company's initiatives traditionally focus on poverty alleviation, healthcare, rural childhood education, village upliftment and community development and the empowerment of women, particularly in rural India.

In compliance with the provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a CSR Committee comprising the following members:

- Mr. Hrishikesh A. Mafatlal - Chairman
- Mr. Atul K. Srivastava - Member
- Mr. Abhay R. Jadeja - Member

The tenure of Mr. Sujal A. Shah, Independent Director, concluded on May 29, 2025, upon the completion of his second term. Consequently, the Board of Directors reconstituted the Corporate Social Responsibility (CSR) Committee on May 15, 2025, and Mr. Abhay R. Jadeja has been appointed as Member of the Committee in place of Mr. Sujal A. Shah.

Based on the recommendations of the CSR Committee, the Board of Directors has adopted a CSR Policy that reflects the Group's philosophy and commitment to meaningful social impact. The Policy outlines the guiding principles, implementation mechanisms, and focus areas for CSR initiatives in accordance with statutory requirements. The CSR policy of the Company



## DIRECTORS' REPORT (Contd.)

is available on its website at: <https://www.mafatlals.com/investors/>.

In accordance with Section 135 of the Companies Act, 2013, the Company's CSR spending obligation is determined based on the calculation of net profits under Section 198 of the Companies Act, 2013. For financial year 2025-26, the Company continues to have accumulated losses and accordingly, there is no statutory obligation to spend 2% of the average net profits of the preceding three financial years on CSR activities.

However, in line with the Arvind Mafatlal Group's enduring commitment to social welfare, the Company voluntarily contributed ₹ 80 Lakhs towards various CSR initiatives during the year. To ensure effective implementation of the CSR Policy, review and approve the CSR Annual Action Plan, the CSR Committee convened two meetings during financial year 2025-26, held on May 12, 2025, and November 17, 2025.

The statutory disclosures required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed to this Report as **Annexure D** and form an integral part of the Board's Report.

### RELATED PARTY TRANSACTIONS

All Related Party Transactions entered into by the Company, during the financial year under review, were in the ordinary course of business and on arm's length basis, pre-approved by the Audit Committee, comprising only Independent Directors of the Company. The said transactions were in accordance with the Policy on materiality of and on dealing with Related Party Transactions, formulated by the Company.

Related party transactions above ₹ 1 Crores proposed to be entered by the subsidiary of the Company to which the Company is not a party, shall require prior approval of the audit committee if the value of the transaction exceeds 10% of the annual standalone turnover as per the last audited financial statements of the subsidiary or the threshold for material related party transactions of the Company as mentioned in the SEBI Listing Regulations. The Company has obtained the prior approval of the audit committee for all related party transactions entered into by its subsidiary companies. A statement on Related Party Transactions specifying the details of the transactions entered pursuant to the omnibus approval

granted is reviewed by the Audit Committee and the Board on a quarterly basis.

On announcement of half-yearly financial results, details of all related party transactions entered into by the Company and its subsidiaries are disclosed and filed with the BSE Ltd. where equity shares of the Company are listed, within prescribed timelines and also uploaded on the website of the Company.

During the year, the Company has not entered into any contracts, arrangements or transactions that fall under the scope of Section 188 (1) of the Act. Accordingly, the prescribed Form AOC-2 is not applicable to the Company for the financial year 2025-26 and hence does not form part of this Report.

The Company did not enter into any related party transactions during the year under review, which could be prejudicial to the interest of minority shareholders.

The Company has adopted a Related Party Transactions Policy. The Audit Committee reviews this Policy periodically and also reviews and approves all related party transactions, to ensure that the same are in line with the provisions of applicable laws and the Policy. The Policy was amended by the Board at its meeting held on March 24, 2026, to align with the amendment in law. In conformity with the requirements of the Act, read with the SEBI (LODR) Regulations, 2015, the Policy is available on the Company's website at: <https://www.mafatlals.com/investors/>.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT, CORPORATE GOVERNANCE REPORT

As required under Schedule V (B) and (C) of the SEBI (LODR) Regulations, 2015, the Management Discussion and Analysis Report as well as the Corporate Governance Report are attached herewith and marked as **Annexure I and 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.

**DIRECTORS' REPORT (Contd.)****(b) Committees of Board**

Details of the various committees constituted by the Board of Directors, as per the provisions of the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013, are provided in the Corporate Governance Report which form a part of this Report.

**(c) Vigil Mechanism/Whistle Blower Policy**

The Company believes in conducting the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity, and ethical behavior. In line with this, the Company has adopted a Whistle Blower Policy and established an appropriate Vigil Mechanism to enable employees and Directors to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct, without fear of retaliation.

The mechanism provides for direct access to the Chairman of the Audit Committee, and it is confirmed that no person has been denied such access during the financial year.

The Whistle Blower Policy is available on the Company's website at: [www.mafatlals.com/investors/](http://www.mafatlals.com/investors/).

**(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) Annual Return**

The Annual Return of the Company as on March 31, 2026, is available on the website of the Company at [www.mafatlals.com/investors/](http://www.mafatlals.com/investors/).

**(f) Disclosures Under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has put in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, read with other applicable provisions. Internal

Complaints Committees are constituted and regularly redress complaints, if any in a timely manner. During the financial year under review, no complaints were received with regard to 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.

**(g) Maternity Benefits**

The Company complies with the provisions of the Maternity Benefit Act, 1961, and provides maternity benefits to eligible women employees. Adequate facilities and support are provided in line with statutory requirements.

**(h) Insurance**

The Company has taken appropriate insurance for all assets against foreseeable perils. In line with the requirements of Regulation 25(10) of the SEBI (LODR) Regulations 2015, the Company has in place a directors and officers liability insurance policy.

**(i) Secretarial Standards**

The Company has established appropriate systems to ensure compliance with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI). The Board affirms that these systems are adequate and are operating effectively to ensure consistent adherence to the prescribed standards.

All applicable Secretarial Standards (SS) have been complied with by the Company during the financial year.

**(j) Risk Evaluation and Management**

Business Risk Evaluation and Management is an ongoing process embedded within the Company's operations. The Company has established a comprehensive risk management framework designed to identify, assess, monitor, and mitigate risks, while also recognizing and leveraging potential business opportunities.

In accordance with Regulation 21(5) of the SEBI (LODR) Regulations, 2015, the constitution of



## DIRECTORS' REPORT (Contd.)

a Risk Management Committee is mandatory for the top 1,000 listed entities based on market capitalization as at the end of the immediate previous financial year. As the Company does not fall within this threshold, the said provision is not applicable to the Company.

### (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 (LODR) Regulations, 2015.

Accordingly, the updated policies are available on the Company's website at: <https://www.mafatlals.com/investors/>.

### (l) Cybersecurity

The Company has established cybersecurity and crisis management policies to prevent cyber threats and manage incidents pertaining to cybersecurity and data privacy effectively. It also tracks emerging practices and technologies to enhance the security of IT systems and infrastructure on a continuous basis.

During the year under review, your Company did not face any incidents, breaches, or loss of data in cybersecurity.

## GENERAL DISCLOSURES

- (m) 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.
- (n) No shares with differential voting rights and sweat equity shares have been issued. All equity shares issued by the Company carry equal voting rights.
- (o) There has been no change in the nature of business of the Company.
- (p) As there was no buyback of shares during the year, the Company has nothing to disclose with respect to buyback of shares.
- (q) Neither the Managing Director nor CEO, CFO and CS of the Company received any remuneration

or commission from any of the subsidiary of the Company.

- (r) The Company has deployed a Statutory Compliance Mechanism providing guidance on broad categories of applicable laws and process for monitoring compliance. In furtherance to this, the Company has instituted an online compliance management system within the organization to monitor compliances and provide update to the senior management on a periodic basis.
- (s) The Company has adequate systems and processes in place to comply with CSR obligations and timely payment of taxes.
- (t) The Consolidated Financial Statements pursuant to Section 129(3) of the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS).

## AUDITORS

### I. Statutory Auditors

Pursuant to the provisions of Section 139 and other applicable provisions 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 108<sup>th</sup> Annual General Meeting (AGM). Their appointment is effective from the conclusion of the 108<sup>th</sup> AGM till the conclusion of the 113<sup>th</sup> AGM, which will 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, 2013 and Rules made 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 the SEBI (LODR) Regulations, 2015. M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants, (Firm registration



## DIRECTORS' REPORT (Contd.)

No.012754N/N500016) issued Auditor's Report for the financial year ended on March 31, 2026.

The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer. The Notes to the financial statements referred in the Auditors' Report are self-explanatory and do not call for any further comments.

### II. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules framed thereunder, the Company appointed CS Umesh Ved, M/s. Umesh Ved & Associates, Practicing Company Secretaries, Ahmedabad (FCS No.: 4411, COP No.: 2924, Peer Review No.: 6564/2025) to conduct the Secretarial Audit for the financial year 2025-26. The Secretarial Audit Report is annexed to this Report as **Annexure III** and forms an integral part of the Board's Report. The Report does not contain any qualifications, reservations, or adverse remarks.

In accordance with Regulation 24A of the SEBI (LODR) Regulations, 2015, as amended in 2024, listed entities are required to appoint a peer-reviewed Secretarial Auditor for a term of five consecutive years. Such appointment shall be based on the recommendation of the Audit Committee and approval of the Board of Directors and shall be subject to the approval of members at the Annual General Meeting.

In compliance with the above requirements, the Members of the Company, at the 111<sup>th</sup> Annual General Meeting, held on August 04, 2025 has approved the appointment of CS Umesh Ved, M/s. Umesh Ved & Associates, Practicing Company Secretaries, Ahmedabad, as the Secretarial Auditor for a term of five consecutive financial years from 2025-26 to 2029-30. CS Umesh Ved continued as the Secretarial Auditor of the Company during the year under review.

The Company has received a certificate from CS Umesh Ved confirming his eligibility and consent to act as the Secretarial Auditor, in accordance with the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

### III. Cost Auditor

Pursuant to the provisions of Section 148 of the Companies Act, 2013, read with the relevant rules made thereunder, the maintenance of cost records is applicable to the Company's 'Textile' products. Accordingly, the Company has duly maintained the requisite cost accounts and records as prescribed.

The cost audit for the financial year 2024-25 was completed in a timely manner, and the Cost Audit Report, along with the requisite data in the prescribed Form CRA-4, was duly filed with the Ministry of Corporate Affairs (MCA) within the stipulated timeline.

For the financial year 2025-26, the cost audit of the Company's 'Textile' segment is being carried out by M/s. B. Desai & Co. (Firm Registration No. 005431), Cost Auditors, in accordance with applicable provisions. The Cost Audit Report for the financial year 2025-26 will be submitted to the MCA on or before the due date, after it is reviewed and approved by the Board of Directors.

Based on the recommendation of the Audit Committee, the Board of Directors, at its meeting held on May 05, 2026, has re-appointed M/s. B. Desai & Co. as the Cost Auditors of the Company for the financial year 2026-27, for auditing the cost records relating to the 'Textile' products.

The Audit Committee has received a certificate from the Cost Auditors confirming their independence and eligibility to act as Cost Auditors under applicable laws.

The Board of Directors has approved a remuneration of ₹ 4,75,000/- (Rupees Four Lakhs Seventy-Five Thousand only) plus applicable taxes, and reimbursement of out-of-pocket expenses actually incurred for the purpose of the audit for the financial year 2026-27.

As required under the provisions of Section 148 of the Companies Act, 2013, the remuneration payable to the Cost Auditors is being placed before the Members for ratification at the 112<sup>th</sup> Annual General Meeting of the Company.



## DIRECTORS' REPORT (Contd.)

### IV. Internal Auditor

M/s. Aneja Assurance Private Limited, a reputed internal audit firm of Mumbai, conducted the Internal Audit of the Company for the financial year 2025-26. Pursuant to the provisions of Section 138 of the Companies Act, 2013, read with the relevant rules made thereunder, based on the recommendation of the Audit Committee, the Board of Directors, at its meeting held on May 13, 2025, appointed M/s. Aneja Assurance Private Limited as the Internal Auditors of the Company for the two consecutive financial years 2025-26 and 2026-27.

The Audit Committee, in consultation with the Internal Auditors, determines the scope, functioning, periodicity, and methodology for conducting the internal audit to ensure effective evaluation and monitoring of internal controls and processes across the organization.

### REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors and Secretarial Auditors of your Company have not reported any instances of fraud committed in your Company by officers or employees, to the Audit Committee, as required under Section 143(12) of the Companies Act, 2013.

### 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 - A** and forms part of this Report.

### PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act, read with rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relating to percentage increase in remuneration, ratio of remuneration of each Director and Key Managerial Personnel to the median of employees' remuneration are provided in **Annexure-B** of this Report.

### APPRECIATION

The Board of Directors places on record its sincere appreciation for the dedicated efforts and commitment of the Company's workers, staff and officers, whose continued contribution has been instrumental in the Company's performance.

The Directors also extend their gratitude to the Company's customers, business associates, bankers, government departments, regulatory authorities, service providers, suppliers and shareholders for their steadfast support and cooperation during the year.

For and on behalf of the Board of Directors,

**Mafatlal Industries Limited**

**Hrishikesh A. Mafatlal**

Chairman

(DIN: 00009872)

Place: Mumbai

Date: May 05, 2026



## ANNEXURE-A

### Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earning and 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
- Reduced maximum demand for MGVCL power from 4,750 KVA to 4,000 KVA from January 2025 till date saved ₹ 6.46
- Conducted continuous energy audits and strengthened steam trap maintenance and management practices in collaboration with the engineering team, leading to significant reduction in thermal energy wastage
- Installed 2 nos. kier decatizing mc, 4 nos. jet dyeing, 1 ager mc, and 1 dyeing soaper exclusively for suiting process
- Installed VFD on colony borewell for saving energy and water
- Continued adoption of biofuels further reduced dependence on coal consumption
- Specific energy cost has reduced from ₹ 13.66/MT to 12.73/MT
- Implemented measures to reduce water consumption by recovering and reusing machine water within the process
- The Company is in the process of installing a 4 MWp (DC) Ground Mounted Captive Solar Photovoltaic (PV) Power Plant at its Nadiad, Gujarat Unit, as part of its continued commitment towards sustainable operations, energy efficiency and long-term cost optimization. The proposed solar power plant is expected to generate approximately 45 Lakhs kWh of net usable electricity annually, which shall substantially cater to the energy requirements of the Unit. The project will significantly contribute towards reduction in carbon emissions and support the Company's environmental sustainability initiatives by promoting the use of clean and renewable energy sources. The installation of the captive solar power plant will also reduce the Company's dependence on conventional DISCOM power supply and mitigate risks associated with fluctuations in grid power tariffs and availability. The power generation from the said solar power plant is expected to commence from July 2026, subject to completion of installation, testing, commissioning and necessary regulatory approvals

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

###### i. Investments proposals for the financial year 2026-27

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



ANNEXURE-A (Contd.)

**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	2025-26	2024-25
<b>1. Electricity</b>		
a) Purchased units KWH in Lakhs	112.47	111.84
b) Total amount (₹ in Crores)	10.48	11.39
c) Rate/unit (₹/KWH)	9.32	10.18
<b>2. Coal and Lignite</b>		
a) Quantity (in MT)	41,607	39,037
b) Total cost (₹ in Crores)	24.86	23.26
c) Cost/MT	5,975.83	5,959.47

**D) CONSUMPTION PER UNIT OF PRODUCTION**

Particulars	2025-26	2024-25
Electricity (KWH)	0.54	0.66
Coal and lignite (Kg)	1.16	1.38

**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**

Details	2025-26	2024-25
a) Capital expenditure	-	-
b) Recurring expenditure	1.21	1.09
<b>Total</b>	<b>1.21</b>	<b>1.09</b>
<b>Total R&amp;D expenditure as a % of total turnover</b>	<b>0.03%</b>	<b>0.04%</b>

(₹ in Crores)



## ANNEXURE-A (Contd.)

**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 the US and other countries.

**(B) TOTAL FOREIGN EXCHANGE USED AND EARNED:**

	(₹ in Crores)	
Details	2025-26	2024-25
Total foreign exchange used	4.11	0.46
Total foreign exchange earned	27.50	30.01

For and on behalf of the Board of Directors

**Mafatlal Industries Limited**

**Hrishikesh A. Mafatlal**

Chairman

(DIN: 00009872)

Place: Mumbai

Date: May 05, 2026



## ANNEXURE-B

### 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 2025-26:

Sr. No.	Directors	Remuneration by way of Commission/Sitting Fees (₹ in Crores)	Median Remuneration (₹ in Crores)	Ratio*
1.	Mr. Hrishikesh A. Mafatlal - Chairman	Nil	0.06	NA
2.	Mr. Priyavrata H. Mafatlal- Managing Director (Salary, allowances, perquisites & performance linked incentive)	3.70	0.06	58.0
3.	Mr. Ashutosh S. Bishnoi	0.20	0.06	3.1
4.	Mr. Abhay R. Jadeja	0.20	0.06	3.1
5.	Mr. Jyotin K. Mehta	0.15	0.06	2.4
6.	Dr. Archana N. Hingorani	0.13	0.06	2.0
7.	Mr. Desh Deepak Khetrapal	0.09	0.06	1.4
8.	Mr. Atul K. Srivastava	0.19	0.06	3.0
9.	Mrs. Latika P. Pradhan, up to April 16, 2025	0.09	0.06	1.4
10.	Mr. Gautam G. Chakravarti, up to May 29, 2025	0.10	0.06	1.6
11.	Mr. Sujal A. Shah, up to May 29, 2025	0.10	0.06	1.6
12.	Mr. Pradip N. Kapadia, up to August 04, 2024	0.05	0.06	0.8
13.	Mr. Vilas R. Gupte, up to August 04, 2024	0.05	0.06	0.8

\*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 financial year 2025-26.

The Non-Executive Independent Directors ('NEIDs') of the Company were paid sitting fees for attending meetings of the Board of Directors and Committees thereof during the financial year 2025-26, at the rate of ₹ 70,000/- per meeting, together with such allowances as permissible under the policy of the Company. Further, pursuant to the Special Resolution passed by the Members at the 111<sup>th</sup> Annual General Meeting held on August 04, 2025, approval was accorded for payment of remuneration by way of commission, aggregating to ₹ 75 Lakhs, to the Non-Executive Independent Directors of the Company, including those Directors who were appointed and/or ceased to hold office during the financial year 2024-25.

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.



ANNEXURE-B (Contd.)

I. Percentage increase in remuneration of Managing Director, CEO, CFO, and CS (KMPs) in the financial year 2025-26.	The remuneration increase given to MD: 12%, CEO: 32%, CFO: * & CS: 21%.  Remuneration payable to Independent Directors by way of commission is determined based on the financial performance of the Company for the relevant financial year and on the recommendations of the Nomination and Remuneration Committee (NRC) and the Board of Directors, subject to the approval of the shareholders at the General Meeting. Since such commission-based remuneration varies annually and is not in the nature of a fixed salary, it has not been considered for the purpose of this calculation.
II. Percentage increase in median remuneration of employees in the financial year.	9.08% (9.87% in previous year)
III. The number of permanent employees on the rolls of the Company.	1,060 against last year count of 1,043
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 9.00% (8.03% in previous year)
V. It is affirmed that the remuneration paid is as per the remuneration policy of the Company.	

\*Not applicable, as the new CFO has been appointed with effect from June 01, 2025.

**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/- per annum**

Sr. No.	Name and Designation	Remuneration Received in (Crores) <sup>§</sup>	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. Priyavrata H. Mafatlal, MD	3.70	Managing Director	M.Com, 3 - tier Management Programs at IIM, Ahmedabad, Fashion Business Courses, London, (UK)	More than 18 years	November 01, 2016	39 years	N.A.	500 (0.00%)	Yes, son of Mr. Hrishikesh A. Mafatlal, Chairman
2.	Mr. M. B. Raghunath, CEO	3.58	Employee	Bachelor's degree in Physics, MBA - Mktg from NMIMS - Mumbai	More than 40 years	April 01, 1995	60 years	Berger Paints	5,39,000 (0.75%)	No

§ Including performance linked incentive.



ANNEXURE-B (Contd.)

**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**

Sr. No.	Name and Designation	Remuneration Received in ₹ (Crores) <sup>§</sup>	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. Milan P. Shah, CFO up to May 31, 2025.	0.77	Employee	B. Com, CA, CS	More than 41 years	September 17, 2015	66 years	Arvind Limited	1,46,000 (0.20%)	No

§ 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, 2026, 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-C

### 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 'Indian 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 103<sup>rd</sup> Annual General Meeting held on August 02, 2017 approved creation of 34,75,000 of ₹ 2/- per equity share (6,95,000 of ₹ 10/- per equity share) employee stock options pool under Mafatlal Employee Stock Option Scheme-2017 by way of a Special Resolution. The Board of Directors of the Company had, as per the recommendation of the Nomination and Remuneration Committee (NRC) approved the Mafatlal Employees Stock Option Scheme-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	Fourth Grant
Date of the option granted by Nomination and Remuneration Committee (NRC)	November 10, 2017	August 01, 2019	May 27, 2022	May 27, 2024
No. of equity shares granted after adjustment of subdivision of shares ₹ 2/- each	6,90,000	15,90,000	16,00,000	3,55,000
Exercise price of each share after adjustment of subdivision of shares ₹ 2/- each	₹ 64.54	₹ 15.73	₹ 36.20	₹ 131.15
Options have expired and lapsed	5,71,000	5,10,000	1,91,500	25,000

Balance shares are available under the Mafatlal ESOP-2017, 5,37,500 as on May 05, 2026

**ii. The other disclosures are as follows:**

a.	Date of shareholders' approval	August 02, 2017
b.	Total number of options approved under ESOS	34,75,000 Equity shares of ₹ 2/- each
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. The fourth grant (2024), the vesting would be 100% on completion of first anniversary of the grant.



ANNEXURE-C (Contd.)

d.	Exercise price or pricing formula: (₹) after sub-division adjustment in price)	The first grant, 2017: ₹ 64.54 The second grant, 2019: ₹ 15.73 The third grant, 2022: ₹ 36.20 The fourth grant, 2024: ₹ 131.15
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

iii. **Option movement during the financial year 2025-26 (For Each ESOP) (Face value of ₹ 2/- each):**

Number of options granted (includes options unvested) and outstanding at the beginning of the period	6,54,000
Number of options granted during the financial year	-
Number of options lapsed/forfeited during the financial year (due to resignations)	62,500
Number of options exercisable during the financial year	6,54,000
Number of options vested during the financial year	3,55,000
Number of options exercised during the financial year	2,53,500
Number of shares arising as a result of exercise of options	2,53,500
Money realized by exercise of options (₹), if scheme is implemented directly by the Company	₹ 98,41,350
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)	3,38,000
Number of options exercisable at the end of the financial year	3,38,000

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 the financial 2025-26: **NIL**.

a. Details of granted options to Senior Managerial Personnel outstanding/in force at the end of the financial year 2025-26:

Sr. No.	Name of Employees	Total No. of Options Granted (Equity Share of ₹ 2/- each)
1.	Mr. Anis Sindh	25,000
2.	Mr. Bharat Patel	25,000
3.	Mr. Umesh Koradia	25,000
4.	Mr. Akhlesh Singh Tomar	25,000
5.	Mr. Dilip Acharya	22,500
6.	Mrs. Kavita Unarkat	25,000
7.	Mrs. Subhangi Mehta	22,500



## ANNEXURE-C (Contd.)

Sr. No.	Name of Employees	Total No. of Options Granted (Equity Share of ₹ 2/- each)
8.	Mr. Brijesh Tiwari	25,000
9.	Mr. Amish Kumar Shah	23,000
10.	Mr. Balasaheb Bongane	25,000
11.	Mr. Jignesh Patel	20,000
12.	Mr. Anil Pawar	20,000
13.	Mr. Varun Giri	20,000
14.	Mr. Prashant Choudhary	20,000
15.	Mr. Akash Dhuri	15,000

\*Vesting Period: the option shall be vested at the end of one year from the date of grant.

\*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 103<sup>rd</sup> AGM, is available on the website of the Company at <https://www.mafatlals.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 <https://www.mafatlals.com/investors/> as a part of this 112<sup>th</sup> Annual Report.

For and on behalf of the Board of Directors,

**Mafatlal Industries Limited**

**Hrishikesh A. Mafatlal**

Chairman

(DIN: 00009872)

Place: Mumbai

Date: May 05, 2026



# ANNEXURE-D

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2025-26

### 1. A Brief Outline of the Company's CSR Policy:

The Company framed a CSR Policy in compliance with the provisions of the Companies Act, 2013. This policy, which encompasses the Arvind Mafatlal Group's and the Company's philosophy for describing its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare and sustainable development of the community at large, is titled as the 'Mafatlal Industries Limited – Corporate Social Responsibility (CSR) Policy.'

This policy shall apply to all CSR initiatives and activities taken up at the various locations, as decided by the CSR Committee and/or the Board of Mafatlal Industries Limited (MIL) for the benefit of various segments of the society.

The Policy shall be further governed by the provisions of the Companies Act, 2013, the rules framed thereunder by the Ministry of Corporate Affairs i.e., the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time) and other statutory provisions governing the matter. The CSR policy of the Company is available at [www.mafatlals.com/investors/](http://www.mafatlals.com/investors/).

### 2. The Composition of CSR Committee:

The composition of the Committee is set out below:

Sr. No.	Name of Director	Designation/ Nature of Directorship	CSR Committee Meetings during the Financial Year 2025-26		Total Number of CSR Committee Meetings held during the Financial Year	Number of Meetings of CSR Committee Attended by the Members during the Financial Year
			May 12, 2025	November 17, 2025		
1.	Mr. Hrishikesh A. Mafatlal	Chairman	Yes	Yes	2	2
2.	Mr. Sujal A. Shah up to May 15, 2025	Independent Director	Yes	N.A.	1	1
3.	Mr. Atul K. Srivastava	Independent Director	Yes	Yes	2	2
4.	Mr. Abhay R. Jadeja, w.e.f. May 15, 2025	Independent Director	N.A.	Yes	1	1

Yes- Present | No - Absent | NA - Not applicable | LA - Leave of absence

The tenure of Mr. Sujal A. Shah, Independent Director, concluded on May 29, 2025, upon the completion of his second term. Accordingly, the Board of Directors reconstituted the CSR committee on May 15, 2025, and Mr. Abhay R. Jadeja has been appointed a member of the Committee.

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

- The composition of the CSR Committee is available on the website of the Company at [www.mafatlals.com/investors/](http://www.mafatlals.com/investors/).
- The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is available on the website of the Company at [www.mafatlals.com/investors/](http://www.mafatlals.com/investors/).
- The CSR Projects approved by the Board and the same is available on the website of the Company at [www.mafatlals.com/investors/](http://www.mafatlals.com/investors/).



Annexure-D (Contd.)

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of subrule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: **Not Applicable as the total CSR Expenditure is below 10 Crores.**

Sr. No.	Particulars	Amount (₹ in Crores)
a.	Average net profit of the Company as per sub-section (5) of Section 135	(185.11)
b.	Two percent of average net profit of the Company as per sub-section (5) of Section 135	(3.70)
c.	Surplus arising out of the CSR projects or programs or activities of the previous financial years*	0.40
d.	Amount required to be set off for the financial year, if any	Nil
e.	Total CSR obligation for the financial year	Nil

\*Voluntary CSR contribution by the Company during 2024-25

Sr. No.	Particulars	Amount (₹ in Crores)
a.	Amount spent on CSR projects (both ongoing and otherwise)	
	Ongoing project	Nil
	Other than ongoing project	0.80 Refer to Annexure - I
b.	Amount spent in administrative overheads	Nil
c.	Amount spent on impact assessment, if applicable	Not applicable
d.	Total amount spent for the financial year (6a+6b+6c)	0.80

e. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Crores)	Amount Unspent (₹ in Crores)				
	*Total Amount Transferred to Unspent CSR Account as per Section 135(6)		*Amount Transferred to any Fund Specified under Schedule VII as per Second Provision to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
0.80	Nil	NA	NA	Nil	NA

\*All CSR contributions for the financial year 2025-26 are voluntary hence all CSR expenses are available to set off in the succeeding financial year. The Company has decided not to claim any set-off of excess CSR expenditure incurred in previous financial years against its CSR obligations for the current financial year.

f. Excess amount for set off if any:

Sr. No.	Particulars	Amount (₹ in Crores)
a.	Two percent of average net profit of the Company as per Section 135(5)	(3.70)
b.	Total amount spent for the financial year	0.80
c.	Excess amount spent for the financial year	0.80
d.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.40
e.	Amount available for set off in succeeding financial years [(c+d)]	1.20*

\*The Company has decided not to claim any set-off of excess CSR expenditure incurred in previous financial years against its CSR obligations for the current financial year.



Annexure-D (Contd.)

7. Details of Unspent CSR Amount for the Preceding Three Financial Years

Sr. No.	Preceding Financial Year	Amount Transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under Sub Section (6) of Section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount Transferred to any Fund Specified under Schedule VII as per Second Provison to Section 135(5), if any	Amount Remaining to be Spent in Succeeding Financial Years (in ₹)	Deficiency if any
1.	2022-23	NA	NA	NA	NA	NA	NA
2.	2023-24	NA	NA	NA	NA	NA	NA
3.	2024-25	NA	NA	NA	NA	NA	NA

8. Whether any capital assets have been created or acquired through CSR amount spent in the financial year – **NIL**

If yes, enter the number of Capital assets created/acquired – **NOT APPLICABLE**

Furnish the details relating to such assets (s) so created or acquired through CSR amount spent in the financial year - **NOT APPLICABLE**

9. Specify the reason(s) if the Company has failed to spend two percent of the average net profit as per sub section (5) of Section 135 - **NOT APPLICABLE**

The provisions of Section 135 of the Companies Act, 2013 relating to mandatory Corporate Social Responsibility ('CSR') expenditure are not applicable to the Company, as the net profit computed in accordance with Section 198 of the Act does not meet the prescribed threshold criteria. However, the Company has voluntarily incurred expenditure towards CSR activities during the Financial Year 2024-25.



## Annexure-D (Contd.)

**ANNEXURE - I**

During 2025-26, the Company undertook the following CSR activities.

<b>Sr. No.</b>	<b>Name of Organization Identified</b>	<b>Major Activities of the Organization</b>	<b>Amount (₹ in Crores)</b>
1.	Vrindaranya Grama Punarutthana Mandali (VGPM)	<p>VGPM is engaged in rural education and village upliftment, focusing on empowering underserved communities through sustainable and culturally rooted initiatives. Its key initiative, Vrindaranyam, is a skill-based residential school that integrates academic learning with life skills, vocational training, and traditional values for holistic development.</p> <p>The VGPM works with rural and tribal communities to address health and social challenges through community-driven, sustainable solutions aimed at long-term impact.</p> <p>Mr. Hrishikesh A. Mafatlal is in the advisory committee of VGPM.</p> <p>(Covered under item no. - ii of Schedule VII)</p>	0.15
2.	Shri Chaitanya Health and Care Trust (SCHCT)	<p>SCHCT is engaged in community welfare services such as:</p> <ul style="list-style-type: none"> <li>• Health awareness initiatives, including on hygiene and education</li> <li>• Integrated rural development initiatives on empowerment, livelihood and poverty alleviation</li> <li>• Education and skill development initiatives</li> </ul> <p>Mr. Hrishikesh A. Mafatlal is the Chairman and Mr. Priyavrata H. Mafatlal is a Trustee of SCHCT.</p> <p>(Covered under item no. i of the Schedule VII)</p>	0.65

**For Mafatlal Industries Limited****Hrishikesh A. Mafatlal**

Chairman of CSR Committee  
(DIN: 00009872)  
Place: Mumbai  
Date: May 05, 2026

**For Mafatlal Industries Limited****Priyavrata H. Mafatlal**

Managing Director  
(DIN: 02433237)  
Place: Mumbai  
Date: May 05, 2026

**Regd. Office:**

Mafatlal Industries Limited  
(CIN L17110GJ1913PLC000035)  
301-302, Heritage Horizon, 3<sup>rd</sup> Floor, off. C. G. Road,  
Navrangpura, Ahmedabad - 380 009  
Tel: 079 – 26444404-06  
Email: [ahmedabad@mafatlals.com](mailto:ahmedabad@mafatlals.com)  
Website: [www.mafatlals.com](http://www.mafatlals.com)



# MANAGEMENT DISCUSSION & ANALYSIS

## ANNEXURE I TO DIRECTORS' REPORT

### OVERVIEW OF THE ECONOMY

The global economy entered 2025-26 amid signs of cautious stabilization. However, shifts in trade policy during the year, particularly the tariff actions initiated by the United States, continued to influence growth expectations, trade flows and business sentiment across major economies. After witnessing higher trade barriers during the year, the global economy faced a major challenge with the outbreak of war in the Middle East by the end of the year. Absent the war, the headwinds faced by emerging economies from shifting trade policies were being offset by technology-led investment, fiscal and monetary support, accommodative financial conditions and private sector adaptability.

In its April 2026 World Economic Outlook Update, the International Monetary Fund (IMF) projected global growth at 3.1% in 2026 and 3.2% in 2027 considering the impact of Middle East conflict on commodity markets, inflation expectations, and financial conditions. According to the IMF, the conflict in the Middle East has a varied impact on growth given differential exposure through geographic proximity, financial flows, remittances, and energy dependencies. Overall, it has a larger net impact on growth in emerging market and developing economies compared with advanced economies.

Notably, India's growth forecast has been revised upward by the IMF to 6.5%, led by positive contributions from the carryover of the strong 2025 outturn and the decline in additional US tariffs on Indian goods from 50% to 10%, which outweigh the adverse impact of the Middle East conflict. Growth for 2027 is projected to stay at 6.5%.

India remained among the fastest-growing major economies in 2025-26, supported by public capex, manufacturing policy support, digital adoption and sustained emphasis on welfare-led delivery. Real GDP growth for the year has been estimated at 7.4% in the Economic Survey 2025-26, while the Second Advance Estimates released by Ministry of Statistics and Programme Implementation (MoSPI) in February 2026 revised 2025-26 growth upward to 7.6%.

### OVERVIEW OF THE SECTOR AND OPPORTUNITIES

The Indian textile and apparel industry, one of the country's oldest and most significant sector, continues to play a pivotal role in the national economy, contributing meaningfully to GDP, industrial output, exports, and employment generation. The sector has established a strong presence across the entire value chain, spanning fibre and yarn to fabric and garments, and is supported by a diversified base that includes traditional textiles, apparel, technical textiles, and handicrafts.

The industry contributes approximately 2.3% to India's GDP, 13% to industrial production, and 12% to total exports, while accounting for nearly 9% of employment across major industries. As the second-largest employer after agriculture, the sector provides direct employment to more than 45 Million people and supports the livelihoods of over 100 Million people indirectly.

Within the broader textile industry, the uniform and institutional apparel segment remains a key growth driver, supported by large-scale government procurement of school uniforms and the expanding corporate and industrial workwear market. India's large student base of more than 250 Million and the increasing formalization of the workforce continue to provide strong and sustained demand visibility.

Beyond its domestic significance, the sector also retained a significant position in global trade. India is the sixth-largest exporter of textiles and apparel, with a ~4.1% share in global trade. Despite a challenging global environment, textile and apparel exports rose to about USD 37.8 Billion in 2024-25, registering ~5% growth. In parallel, the Government's focus on expanding bilateral and free trade agreements with advanced economies is expected to create substantial new opportunities.

The digital infrastructure segment is also gaining increasing relevance within the public education and skill development ecosystem, supported by the growing integration of technology into learning delivery and school administration. This transition is supported by sustained government focus and budgetary allocation.



## MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Key allocations toward welfare schemes under Union Budget 2026-27:

- Government initiatives continue to support the textile sector, the Union Budget 2026-27 reaffirmed this commitment with an allocation of ₹ 5,279 Crores for the Ministry of Textiles
- The Budget provides approximately ₹ 1.39 Lakh Crores for education (up ~8% year-on-year), including ₹ 83,562 Crores for school education and ₹ 55,727 Crores for higher education
- The allocation toward school education includes a focused allocation for key schemes such as Samagra Shiksha (₹ 42,100 Crores allocation) and PM SHRI (₹ 7,500 Crores allocation) to support the digitisation, capability building and focused implementation of NEP 2020
- The allocation toward higher education also includes specific allocation for Digital India e-learning with an allocation of ₹ 670 Crores mainly toward education through ICT (Information and Communication Technology)

### COMPANY OVERVIEW

Mafatlal Industries Limited is one of India's most enduring and trusted names in textiles, with a distinguished legacy of over 121 years. Over the decades, the Company has built a strong reputation founded on trust, quality, excellence, and long-standing relationships with customers, vendors, and other stakeholders.

Today, MIL operates across three business segments: textile and related products, digital infrastructure, and consumer durables and others.

### PERFORMANCE REVIEW

The Company recorded total income of ₹ 3,902.15 Crores in 2025-26, a 37.14% increase over ₹ 2,845.30 Crores in 2024-25. EBITDA for the year stood at ₹ 124.85 Crores, compared to ₹ 106.53 Crores in 2024-25.

Particulars (₹ Crores)	March 31, 2026 (Amount)	March 31, 2026 (% of Revenue)	March 31, 2025 (Amount)	March 31, 2025 (% of Revenue)
Revenue from Operations	3,870.44	99.19%	2,807.23	98.66%
Other Income	31.71	0.81%	38.07	1.34%
<b>Total Income</b>	<b>3,902.15</b>	<b>100.00%</b>	<b>2,845.30</b>	<b>100.00%</b>

Over the past several years, the Company has evolved from a predominantly textile-led enterprise into a diversified, customer-centric, and product-agnostic institution, serving consumers across all stages of life. This transformation, supported by deep market understanding, operational agility, and responsiveness, enables MIL to effectively cater to a wide range of market segments. Backed by a robust pan-India supply chain, the Company is well-positioned to meet the evolving needs of India's rapidly expanding middle-income consumer base.

MIL's distribution network is strategically structured across three key channels:

- **Dealer and Distributor Network:** Serving the apparel needs of retail consumers and providing uniforms to students, workers and blue-collar professionals
- **Direct-to-Business Channel:** Catering to corporate demand for uniforms, workwear, and specialized clothing solutions
- **Government and Institutional Procurement:** Supplying clothing, livelihood essentials, uniforms, personal hygiene products, and EdTech infrastructure and services for various state governments and public sector initiatives

During the year under review, the Company recorded significant revenue growth of 37.14%, driven by the successful execution of large-scale public procurement orders, continued strengthening of its leadership in the uniform segment, expansion of its product portfolio, and further enhancement of its nationwide supply chain capabilities.


**MANAGEMENT DISCUSSION & ANALYSIS (Contd.)**

Particulars (₹ Crores)	March 31, 2026 (Amount)	March 31, 2026 (% of Revenue)	March 31, 2025 (Amount)	March 31, 2025 (% of Revenue)
Cost of Material Consumed	151.56	3.88%	138.24	4.86%
Purchase of Stock-in-Trade	3,311.72	84.87%	2,297.83	80.76%
Changes in Inventory	(6.84)	(0.18%)	(17.30)	(0.61%)
Employee Benefit Expenses	61.50	1.58%	58.93	2.07%
Net Impairment Loss	18.67	0.48%	4.31	0.15%
Other Expenses	240.69	6.17%	256.76	9.02%
<b>Total Expenses</b>	<b>3,777.31</b>	<b>96.80%</b>	<b>2,738.77</b>	<b>96.26%</b>
<b>EBITDA</b>	<b>124.85</b>	<b>3.20%</b>	<b>106.53</b>	<b>3.74%</b>
Finance Cost	8.65	0.22%	10.96	0.39%
Depreciation and Amortization	16.63	0.43%	15.03	0.53%
Profit Before Exceptional Items and Tax	99.57	2.55%	80.54	2.83%
Exceptional Items	(2.87)	(0.07%)	(6.00)	(0.21%)
<b>Profit Before Tax</b>	<b>96.70</b>	<b>2.48%</b>	<b>74.54</b>	<b>2.62%</b>
Net Tax Expenses	5.63	0.14%	(23.60)	(0.83%)
<b>Profit for the Year</b>	<b>91.07</b>	<b>2.33%</b>	<b>98.14</b>	<b>3.45%</b>

**The key financial ratios, together with the relevant details and explanations for variances, are disclosed in Note 52 to the financial statements.**

**REVENUE FROM OPERATIONS AND OTHER INCOME**

The Company recorded a 37.87% increase in revenue from operations in 2025-26 compared to 2024-25. Similar to 2024-25, the year reflects a more broad-based expansion across textiles, digital infrastructure, and consumer durables, supported by improved order pipeline visibility and deeper institutional participation.

**EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTIZATION (EBITDA)**

The Company reported EBITDA of ₹ 124.85 Crores in 2025-26, compared to ₹ 106.53 Crores in 2024-25. The improvement reflects operating leverage driven by product mix, higher institutional order volumes and continued focus on cost optimization.

**PROFIT BEFORE TAX (PBT)**

The Company reported PBT of ₹ 96.70 Crores in 2025-26, 29.73% change over ₹ 74.54 Crores in 2024-25. The movement reflects the combined effect of revenue growth, operating performance and lower finance costs arising from continued debt reduction.

**DEBT MANAGEMENT**

Long-term borrowings have declined from ₹ 82.28 Crores in 2020-21 to ₹ 39.87 Crores in 2025-26, in line with the Company's asset-light business model. During 2025-26, the Company repaid ₹ 14.26 Crores of long-term borrowings in line with its scheduled commitments. Short-term borrowings stood at ₹ 20.90 Crores, maintained at levels commensurate with working capital requirements for large-scale executions.

**FINANCE COST**

Finance costs for 2025-26 stood at ₹ 8.65 Crores, compared to ₹ 10.96 Crores in 2024-25. The movement reflects the continued reduction in long-term debt outstanding and optimized utilization of working-capital facilities through the year.

**DEPRECIATION**

Depreciation and amortisation expense for 2025-26 stood at ₹ 16.63 Crores, compared to ₹ 15.03 Crores in 2024-25. The movement in depreciation is mainly driven by investments in information technology-based (software and applications) intangible assets.



## MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

### RISK AND CONCERNS

The evolving business landscape requires the Company to continuously review and refine its strategic approach to ensure long-term resilience and sustainability. In response to this dynamic environment, the Company remains focused on strengthening its risk management practices to effectively anticipate, assess, and mitigate key business risks.

The Company's risk management strategy enables the timely identification and evaluation of emerging and existing risks, supported by appropriate mitigation measures. This approach is underpinned by strong governance mechanisms, a well-defined delegation of authority, established standard operating procedures, and robust management information systems, which together facilitate effective oversight, operational discipline, and informed decision-making across the organization.

### OVERVIEW OF SEGMENT-WISE PERFORMANCE

MIL has a diversified presence across segments including textiles and related products, digital infrastructure, and consumer durables and others. With these segments, the Company is serving four primary consumer segments: school children, workers and blue-collar professionals, low-income households, and aspiring retail consumers.

#### Textiles and Related Products

Building on its longstanding textile legacy, the Company continues to play an important role in serving the fabric and apparel requirements of public and private institutions, public purchasing as well as select retail-linked markets. Its portfolio includes school and corporate uniforms, shirting, and suiting fabrics, rubia and white woven fabrics, and a growing range of health and hygiene products including sanitary napkins, baby diapers, adult diapers, medical disposables and non-woven hygiene products.

Along with a distribution network of over 1,000 dealers across India, the Company has widened its institutional buyers umbrella spanning over aviation, hospitality, automobiles, construction, pharmaceuticals, petroleum, security services, and healthcare.

The textile segment reported revenue of ₹ 1,494.18 Crores in 2025-26 with year-on-year growth of 22.73%, and EBIT of ₹ 75.74 Crores in 2025-26 with year-on-year growth of 29.87%. The revenue and EBIT expansion for the Company is backed by a sustained position as a trusted uniform and workwear partner across organized industry.

#### Digital Infrastructure

The Company is broadening its presence in the digital infrastructure business and has now transitioned from a mere hardware-only supplier to an integrated solution provider, offering complete solutions equipped with AI-enabled interactive software and applications for establishing digital classrooms, STEM labs, robotic labs and ICT infrastructure along with after-sales service support.

During the year, Company further strengthened its presence in the segment by enabling 847 classrooms across the states of Tripura and Odisha with its software, services and hardware solutions. Digital Infrastructure segment reported revenue of ₹ 62.34 Crores in 2025-26 with EBIT of ₹ 6.29 Crores.

#### Consumer Durables and Others

Consumer Durables segment for the Company is guided by its participation in various public-welfare schemes related procurement activities which enhances quality of life for low-income households across the nation. The Company has a well-established large supply chain network established across the country which supports the execution at a scale. Consumer Durables segment reported revenue of ₹ 2,313.92 Crores in 2025-26 with EBIT of ₹ 32.44 Crores.

### INTERNAL FINANCIAL CONTROLS AND SYSTEMS

The Company has a well-established framework of Internal Financial Controls (IFCs), which are adequate and commensurate with the size, nature, and complexity of its operations and business processes. As part of this framework, the Company uses accounting software equipped with an audit trail (edit log) feature to maintain its books of account. In addition, the Company has also implemented practices for daily backups of the entire database and application in remote locations.



## MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Further, the internal audit function is carried out by an independent audit firm, appointed under Section 138 of the Companies Act, which ensures exhaustive reviews and a robust control framework across financial and operational aspects of the business.

### **HUMAN RESOURCES**

MIL's people strategy for 2025-26 was shaped by its strong focus on employee well-being, capability building, and cultural alignment. The Company has a well-structured HR policy that fosters a positive work environment, inclusive growth, equal opportunity, and competitiveness, while aligning employee goals with the organization's broader growth vision.

The Human Resources function plays a vital role in building a strong and capable workforce. It creates opportunities for both professional and personal development and implements comprehensive employee engagement and learning initiatives to strengthen employee productivity and skills. As of March 31, 2026, the Company had 1,060 permanent employees.

### **OUTLOOK**

Looking ahead, the Company remains confident in its ability to build stronger and more focused business models across the Uniforms and Digital Infrastructure categories, supporting its operating margin growth trajectory. Key structural drivers expected to support this growth include rising demand for institutional uniforms, public procurement opportunities, targeted spending on education infrastructure, and increasing hygiene awareness.

Amid potential macroeconomic risks arising from global uncertainties, which may create inflationary pressure and affect GDP growth, the Company remains vigilant and continues to closely monitor external factors such as inflation, credit growth, and geopolitical developments to mitigate potential challenges. Nevertheless, despite the complexities of the business environment, the outlook for operating margin growth over the medium-term remains optimistic.



# CORPORATE GOVERNANCE REPORT

## ANNEXURE II TO DIRECTORS' REPORT

The Corporate Governance Report provides comprehensive details on the following

- **Company's philosophy on corporate governance**  
Our commitment to transparency, accountability, fairness and ethical business practices that drive long-term value.
- **Board of Directors**  
Information on the Board's composition, roles, responsibilities, expertise and how it oversees the Company's strategic direction.
- **Board Committees and its constitutions**  
Details of the Board Committees, their roles, membership, meeting frequency and key responsibilities.
- **Members Meeting**  
Information on Annual General Meetings and other Members' Meetings, including attendance and key resolutions.
- **General Shareholders information such as policies, code and general shareholders information and means of communications etc.**  
Overview of key policies, codes, shareholder rights, useful information and communication channels.

### Corporate Governance Report

Corporate governance is a process that aims to meet stakeholders' aspirations and expectations. The cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosures etc., serve as the means for implementing the philosophy of corporate governance. This Corporate Governance Report for the financial year ended on March 31, 2026 forms a part of the Directors' Report and the same has been prepared with the conditions of Corporate Governance set out in Regulations 17 to 27 along with Regulation 34(3) 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) ('the SEBI Listing Regulations'). The Company has put in place a Governance Framework that encourages the ethical and responsible conduct of business to create value for all stakeholders.



**CORPORATE GOVERNANCE REPORT (Contd.)**

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

The Company has been a front-runner in India to have corporate governance as a systematic process. Corporate Governance primarily involves transparency, complete disclosure, independent monitoring of the state of affairs and meeting stakeholders' aspirations. The Company has always believed in the concept of good corporate governance involving transparency, empowerment, accountability and integrity with a view to enhancing stakeholder value.

The Company has established a mechanism with policies and strong governance practices to ensure higher ethical standards across business activities for responsible and responsive management and to comply with the applicable statutory and regulatory requirements.

**2. BOARD OF DIRECTORS**

The Board of Directors consists of eight Directors as on March 31, 2026. The Board comprises two Executive Promoter Directors and Six Non-Executive Independent Directors (NEIDs) including, one woman Director. The Board of Directors of the Company is chaired by Mr. Hrishikesh A. Mafatlal, who serves as the Executive Chairman of the Company.

The Company has obtained requisite disclosures from the Directors in respect of their directorship in other companies and membership in committees of other companies. The composition of the Board is in conformity with the applicable provisions of the Companies Act, 2013, read with Regulation 17 of the SEBI Listing Regulations as on March 31, 2026. Further details are as follows:

Sr. No.	Name of Directors	Category	Board Meetings Held	Board Meetings Attended	Attendance at the Last AGM Held on August 04, 2025	*No. of Directorship in Public Companies as of March 31, 2026	§No. of Committee Membership/ Chairmanship in other Companies during the Year End	
							Member	Chairman
1.	Mr. Hrishikesh A. Mafatlal Executive Chairman (DIN: 00009872)	Promoter Executive	7	7	Yes	2	1	-
2.	Mr. Priyavrata H. Mafatlal Managing Director & Chief Executive Officer (w.e.f. June 01, 2026) (DIN: 02433237)	Promoter Executive	7	7	Yes	2	-	1
3.	Mr. Atul K. Srivastava (DIN: 00046776)	Non-Executive Independent	7	6*	Yes	2	1	1
4.	Mr. Ashutosh S. Bishnoi (DIN:02926849)	Non-Executive Independent	7	7	Yes	-	-	-
5.	Mr. Abhay R. Jadeja (DIN: 03319142)	Non-Executive Independent	7	7	Yes	3	3	-
6.	Mr. Jyotin K. Mehta (DIN:00033518)	Non-Executive Independent	7	7	Yes	8	4	4



CORPORATE GOVERNANCE REPORT (Contd.)

Sr. No.	Name of Directors	Category	Board Meetings Held	Board Meetings Attended	Attendance at the Last AGM Held on August 04, 2025	#No. of Directorship in Public Companies as of March 31, 2026	§No. of Committee Membership/ Chairmanship in other Companies during the Year End	
							Member	Chairman
7.	Dr. Archana N. Hingorani (DIN: 00028037)	Non-Executive Independent	7	7	Yes	6	3	3
8.	Mr. Desh Deepak Khetrapal (DIN: 02362633)	Non-Executive Independent	7	6*	Yes	2	3	-
9.	Mrs. Latika P. Pradhan (DIN: 07118801) Up to April 16, 2025	Non-Executive Independent	-	-	NA	2	2	1
10.	Mr. Gautam G. Chakravarti (DIN: 00004399) Up to May 29, 2025	Non-Executive Independent	1	1	NA	1	-	-
11.	Mr. Sujal A. Shah (DIN: 00058019) Up to May 29, 2025	Non-Executive Independent	1	1	NA	8	4	3

\*Excludes Directorships and Chairmanship held in Mafatlal Industries Limited, Private Limited Companies, Foreign Companies and Section 8 Companies.

\*Leave of absence was granted to Mr. Desh Deepak Khetrapal on August 04, 2025, and to Mr. Atul K. Srivastava on March 24, 2026.

§In accordance with Regulation 26(1) of SEBI (LODR) Regulations, 2015, 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 memberships includes the Committees in which Director is a chairperson.

**CESSATION:**

Mrs. Latika P. Pradhan, Independent Director, retired on April 16, 2025, upon completion of her second term.

Mr. Sujal A. Shah and Mr. Gautam G. Chakravarti, Independent Directors, retired on May 29, 2025, upon completion of their second term.

Sr. No.	Name of Directors	Name of the Listed Entities (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. Priyavrata H. Mafatlal	Promoter Non-Executive Director of NOCIL Limited
3.	Mr. Atul K. Srivastava	Non-Executive Independent Director of Navin Fluorine International Limited
4.	Mr. Ashutosh S. Bishnoi	None
5.	Mr. Abhay R. Jadeja	Non-Executive Independent Director of: 1. Nilkamal Limited 2. Stovec Industries Limited
6.	Mr. Jyotin K. Mehta	Non-Executive Independent Director of: 1. I G Petrochemicals Limited 2. Westlife Foodworld Limited 3. Amal Limited



CORPORATE GOVERNANCE REPORT (Contd.)

Sr. No.	Name of Directors	Name of the Listed Entities (excluding Mafatlal Industries Limited) in which a Person is a Director and Category of Directorship
7.	Dr. Archana N. Hingorani	Non-Executive Independent Director of 1. Grindwell Norton Limited 2. Ema Partners India Limited 3. The Phoenix Mills Limited 4. Balaji Telefilms Limited 5. 5paisa Capital Limited
8.	Mr. Desh Deepak Khetrapal	Non-Executive Non-Independent Director of BirlaNu Limited
9.	Mrs. Latika P. Pradhan	None
10.	Mr. Gautam G. Chakravarti	Non-Executive Independent Director of Nilkamal Limited
11.	Mr. Sujal A. Shah	Non-Executive Independent Director of: 1. Deepak Fertilizers and Petrochemicals Corporation Limited 2. Navin Fluorine International Limited 3. Atul Limited 4. NOCIL Limited 5. The Bombay Dyeing And Manufacturing Company Limited

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

During the financial year ended on March 31, 2026, a total of seven 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:

Name of the Directors	Board Meetings and Attendance							Total Attendance	% of Attendance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		
	May 13, 2025	June 30, 2025	July 09, 2025	August 04, 2025	November 04, 2025	January 30, 2026	March 24, 2026		
Mr. Hrishikesh A. Mafatlal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7	100%
Mr. Priyavrata H. Mafatlal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7	100%
Mr. Atul K. Srivastava	Yes	Yes	Yes	Yes	Yes	Yes	LA	6	86%
Mr. Abhay R. Jadeja	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7	100%
Mr. Ashutosh S. Bishnoi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7	100%
Mr. Jyotin K. Mehta	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7	100%
Dr. Archana N. Hingorani	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7	100%
Mr. Desh Deepak Khetrapal	Yes	Yes	Yes	LA	Yes	Yes	Yes	6	86%
Mrs. Latika P. Pradhan up to April 16, 2025	NA	NA	NA	NA	NA	NA	NA	0	NA



## CORPORATE GOVERNANCE REPORT (Contd.)

Name of the Directors	Board Meetings and Attendance							Total Attendance	% of Attendance
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		
	May 13, 2025	June 30, 2025	July 09, 2025	August 04, 2025	November 04, 2025	January 30, 2026	March 24, 2026		
Mr. Gautam G. Chakravarti up to May 29, 2025	Yes	NA	NA	NA	NA	NA	NA	1	100%
Mr. Sujal A. Shah up to May 29, 2025	Yes	NA	NA	NA	NA	NA	NA	1	100%

Yes - Present | Not - Absent | NA - Not applicable | LA - Leave of absence

Leave of absence was granted to Mr. Desh Deepak Khetrapal on August 04, 2025, and to Mr. Atul K. Srivastava on March 24, 2026.

All such meetings were held physically except the meeting held on June 30, 2025 which was held through Video Conferencing (VC).

The Company has complied with the applicable provisions of the Companies Act, 2013, read with the Secretarial Standards and the SEBI Listing Regulations.

#### Profile of Directors seeking appointment/re-appointment:

A brief profile and other information about the Director's seeking appointment/re-appointment is provided in the notice convening the 112<sup>th</sup> Annual General Meeting.

#### Separate Meeting of Independent Directors

As per Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the SEBI (LODR) Regulations 2015, separate meetings of Independent Directors were convened on November 04, 2025, and March 24, 2026, without the presence of Non-Independent Directors and management representatives. The Meeting held on November 04, 2025, was chaired by Mr. Atul K. Srivastava, Independent Director and the meeting held on March 24, 2026 was chaired by Mr. Ashutosh S. Bishnoi, Independent Director. Leave of absence was granted to Mr. Atul K. Srivastava on March 24, 2026.

At such meetings, the Independent Directors, inter alia, discussed and evaluated the performance of Non-Independent Directors, the Board of Directors as a whole and its Committees. Independent Directors also evaluated the performance of the Chairman of the Company, taking into account, views of Executive and Non-Executive Directors and assessed the quality, quantity, and timelines of the flow of information between the management and the Board that is necessary for the Board to perform its duties effectively and reasonably.

The Chairman of the Board is updated by the Chairman of the meeting of Independent Directors about the outcome of the meeting and actions, if any, required to be taken by the Company.

#### Disclosure of Relationships between Directors inter-se

Mr. Hrishikesh A. Mafatlal, Executive 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.

None of the Company's Independent Directors serve as Non-Independent Directors of any company where any of the Company's Non-Independent Directors serve as Independent Directors. Accordingly, none of the Independent Directors have any inter-se relationship, and each Director remains independent of the others.



## CORPORATE GOVERNANCE REPORT (Contd.)

None of the Directors of the Company holds directorship in more than 10 Public Limited Companies. None of an Independent Director serves as an Independent Director in more than seven Listed Companies. None of the Director of the Company is appointed in more than 10 Committees or acts as Chairman in more than five Committees across all the Companies in which he/she is a Director.

### Details of shareholding of Non-Executive Independent Directors

Name of the Directors	Number of Equity Shares of ₹ 2/- each held as of March 31, 2026
Mr. Atul K. Srivastava	-
Mr. Ashutosh S. Bishnoi	-
Mr. Abhay R. Jadeja	-
Mr. Jyotin K. Mehta	-
Dr. Archana N. Hingorani	-
Mr. Desh Deepak Khetrapal	-
Mrs. Latika P. Pradhan (Up to April 16, 2025)	-
Mr. Gautam G. Chakravarti (Up to May 29, 2025)	-
Mr. Sujal A. Shah (Up to May 29, 2025)	-

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

### Familiarization Program for Independent Directors

Pursuant to Regulations 25(7) of the Listing Regulations, the Company has a familiarization program for its Independent Directors to familiarize the Independent Directors to enable them to understand the Company, its operations, business, industry and the environment in which it functions and the regulatory requirements applicable to it. The Chairman, Managing Director, Chief Executive Officer and Chief Financial Officer also have a one-to-one discussion with the Independent Directors to familiarize him/her with the Company's operations.

Further, on an ongoing basis as a part of the agenda of Board and Committee Meetings, presentations are regularly made on various matters inter alia covering the Company's business and operations, industry and regulatory updates etc. The details of the familiarization program imparted to Independent Directors is disclosed on the Company's website at [www.mafatlals.com/investors/](http://www.mafatlals.com/investors/).

### Skills, Expertise, and Competence of the Board of Directors

The Board of Directors of the Company comprises people with varied experience in different areas who bring in the required skills, competence, and expertise that allows them to make an effective contribution to the Board and its Committees. The following list summarizes the key skills, expertise, and competence that the Board thinks are 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.



## CORPORATE GOVERNANCE REPORT (Contd.)

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

Name of the Director	Educational Qualification	Experience in Years	Skills/Expertise/Competencies they Hold
Mr. Hrishikesh A. Mafatlal	Graduation in Commerce with Honors from Sydenham College, Mumbai and Advance Management Program (AMP) at Harvard Business School, USA.	49+	Commercial, Finance, General Management, Domain Industry, Sales and Marketing, Science and Technology
Mr. Priyavrata H. Mafatlal	Master of Commerce (with a specialization in Marketing) from Mumbai University and also an alumnus of the Harvard Business School, USA.	18+	Commercial, Finance, General Management, Domain Industry, Sales and Marketing, Science & Information Technology
Mr. Atul K. Srivastava	B.Sc. (Hons) Physics, FCA	49+	Commercial, Finance including Audit, Accounts, Taxation
Mr. Abhay R. Jadeja	B.Com, LLB	21+	Legal and Commercial
Mr. Ashutosh S. Bishnoi	MBA, Mahindra Universe Program at the Harvard Business School, Boston (USA)	42+	Financial Services and Consumer Marketing Businesses
Mr. Jyotin K. Mehta	B.Com, FCA, FCS and FCMA	41+	Corporate Finance, Internal Audit, Corporate Governance, Risk and Controls, Company Law, Legal and Regulatory Compliance and Customer Service
Mr. Desh Deepak Khetrpal	B.Com (Hons.), MBA (Marketing & Finance)	51+	Commercial, Marketing Businesses and Finance including Audit, Accounts, Taxation, Valuation
Dr. Archana N. Hingorani	BA, MBA, PH.D in Philosophy	31+	Financial Services, Private Equity Fund Investment and Asset Management Business
Mr. Gautam G. Chakravarti Up to May 29, 2025	B.Sc. M.A. (economics), Post Graduate Program in Management from IIM, Ahmedabad	50+	Commercial, General Management and Domain Expertise
Mr. Sujal A. Shah Up to May 29, 2025	B. Com, FCA	35+	Commercial, Finance including Audit, Accounts, Taxation, Valuation
Mrs. Latika P. Pradhan Up to April 16, 2025	FCA, AICWA, ACS and LL.B.	45+	Commercial, Finance including Audit, Accounts, Taxation

In the opinion of the Board, all Independent Directors of the Company fulfill the conditions of independence as prescribed under the provisions of the Companies Act, 2013, read with the SEBI (LODR) Regulations, 2015 and are independent of the management of the Company.

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



## CORPORATE GOVERNANCE REPORT (Contd.)

### COMMITTEES OF THE BOARD

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder's Relationship/Investor's Grievance Committee
- Corporate Social Responsibility (CSR) Committee
- Share Allotment Committee
- Investment and Diversification Committee

### 3. AUDIT COMMITTEE

The terms of reference of the Audit Committee are in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Part-C of Schedule II and Regulation 18 of the SEBI (LODR) Regulations, 2015, as amended from time to time. The composition of the Committee is also in conformity with the said provisions.

#### (a) Roles and Powers of the Audit Committee:

The key terms of reference of the Committee are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board the appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and the auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
  - (b) Changes, if any, in accounting policies and practices and reasons for the same.
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - (d) Significant adjustments made in the financial statements arising out of audit findings.
  - (e) Compliance with listing and other legal requirements relating to financial statements.
  - (f) Approval and disclosure of any related party transactions.
  - (g) Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;



## CORPORATE GOVERNANCE REPORT (Contd.)

7. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. To evaluate the internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussing with internal auditors any significant findings and follow up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the whistle blower mechanism.
19. Approval of the appointment of Chief Financial Officer (CFO) (i.e., Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, and background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.
22. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. Such other functions as may be prescribed under the applicable laws and regulations.

The Audit Committee mandatorily reviews the following information:

- Management discussion and analysis of financial condition and results of operations.
- Management letters/letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.



**CORPORATE GOVERNANCE REPORT (Contd.)**

- Statement of deviations:
  - (i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (ii) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

**(b) Composition, meeting and attendance:**

During the year under review, five meetings of the Audit Committee of the Board of Directors were held. The composition of the Committee, along with details of the meetings and member attendance, is provided below:

Sr. No.	Name of the Directors	Designation	(1)	(2)	(3)	(4)	(5)	Meeting Attended	% of Attendance
			May 13, 2025	August 04, 2025	November 04, 2025	January 30, 2026	March 24, 2026		
1.	Mr. Atul K. Srivastava	Chairman w.e.f. April 16, 2025, Member up to April 15, 2025	Yes	Yes	Yes	Yes	LA	4	86%
2.	Mr. Jyotin K. Mehta	Member w.e.f. April 16, 2025	Yes	Yes	Yes	Yes	Yes	5	100%
3.	Mr. Ashutosh S. Bishnoi	Member w.e.f. April 16, 2025	Yes	Yes	Yes	Yes	Yes	5	100%
4.	Dr. Archana N. Hingorani	Member w.e.f. April 16, 2025	Yes	Yes	Yes	Yes	Yes	5	100%

Yes - Present | Not - Absent | NA - Not applicable | LA - Leave of absence

The tenure of Mrs. Latika P. Pradhan, Independent Director, concluded on April 16, 2025, and the tenures of Mr. Sujal A. Shah and Mr. Gautam G. Chakravarti, Independent Directors of the Company, concluded on May 29, 2025, upon completion of their respective second terms. Consequently, the Board of Directors reconstituted the Audit Committee on April 16, 2025. All the aforesaid meetings were held physically, except the meeting held on June 30, 2025, which was conducted through Video Conferencing (VC).

Mr. Amish P. Shah, Company Secretary of the Company, acted as Secretary to the Committee.

**4. NOMINATION AND REMUNERATION COMMITTEE**

The terms of reference of the Nomination and Remuneration Committee are in accordance with the provisions of Section 178 of the Companies Act, 2013, read with Part D (A) of Schedule II and Regulation 19 of the SEBI (LODR) Regulations, 2015, as amended from time to time. The composition of the Committee was in conformity with the said provisions.

**(a) The Committee's terms of reference include:**

Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees.



## CORPORATE GOVERNANCE REPORT (Contd.)

1. For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and based on such an evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such a description. For the purpose of identifying suitable candidates, the Committee may:
  - a. Use the services of an external agency, if required;
  - b. Consider candidates from a wide range of backgrounds, having due regard for diversity; and
  - c. Consider the time commitments of the candidates.
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
3. Devising a policy on diversity of the Board of Directors.
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the Independent Director, based on the performance evaluation report of Independent Directors.
6. Recommend to the Board all remuneration, in whatever form, payable to senior management.

**(b) Composition, meeting and attendance:**

During the year under review, one Meeting of the Committee was held which was attended by the members as follows:

Sr. No.	Name of the Directors	Designation	May 13, 2025	Meeting Attended	% of Attendance
1.	Mr. Gautam G. Chakravarti	Chairman up to May 15, 2025	Yes	1	100%
2.	Mr. Ashutosh S. Bishnoi	Chairman w.e.f. May 15, 2025, member up to May 14, 2025	Yes	1	100%
3.	Mr. Atul K. Srivastava	Member up to May 15, 2025	Yes	1	100%
4.	Mr. Jyotin K. Mehta	Member w.e.f. May 15, 2025	NA	0	NA
5.	Mr. Desh Deepak Khetrpal	Member w.e.f. May 15, 2025	NA	0	NA
6.	Mr. Hrishikesh A. Mafatlal	Member w.e.f. May 15, 2025	NA	0	NA

Yes - Present | Not - Absent | NA - Not applicable | LA - Leave of absence

The meeting was held physically.

Mr. Amish P. Shah, Company Secretary of the Company, acted as Secretary to the Committee.

The tenure of Mr. Gautam G. Chakravarti, Independent Director, concluded on May 29, 2025, upon the completion of his second term. Consequently, the Board of Directors reconstituted the Nomination and Remuneration Committee on May 15, 2025, and Mr. Ashutosh S. Bishnoi has been appointed as Chairman and Mr. Jyotin K. Mehta, Mr. Hrishikesh A. Mafatlal and Mr. Desh Deepak Khetrpal have been appointed as Members of the Committee.



## CORPORATE GOVERNANCE REPORT (Contd.)

### Performance evaluation of Independent Directors

In view of the provisions of Section 178 (2) of the Companies Act, 2013, effective evaluation of the performance of the Board, its committee and Individual Directors have been evaluated by the Board. The evaluation criteria of the Board comprised the following:

#### 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 into 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 and payment of remuneration by way of commission paid to them.

The Company during the financial year 2025-26, 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 2025-26.



## CORPORATE GOVERNANCE REPORT (Contd.)

**Details of remuneration/Commission/sitting fees paid to all Directors**

(₹ in Crores)

Sr. No.	Name of Directors	Salary, Allowances, and All Other Prerequisites	Sitting Fee	Performance Linked Incentive	Payment of Remuneration by way of Commission	Total
1.	Mr. Priyavrata H. Mafatlal	2.73	-	0.97	-	3.70
2.	Mr. Hrishikesh A. Mafatlal	-	-	-	-	-
3.	Mr. Atul K. Srivastava	-	0.10	-	0.09	0.19
4.	Mr. Ashutosh S. Bishnoi	-	0.11	-	0.09	0.20
5.	Mr. Abhay R. Jadeja	-	0.11	-	0.09	0.20
6.	Mr. Jyotin K. Mehta	-	0.10	-	0.05	0.15
7.	Dr. Archana N. Hingorani	-	0.10	-	0.03	0.13
8.	Mr. Desh Deepak Khetrapal	-	0.06	-	0.03	0.09
9.	Mr. Vilas R. Gupte up to August 04, 2024	-	-	-	0.05	0.05
10.	Mr. Pradip N. Kapadia up to August 04, 2024	-	-	-	0.05	0.05
11.	Mrs. Latika P. Pradhan up to April 16, 2025	-	-	-	0.09	0.09
12.	Mr. Gautam G. Chakravarti up to May 29, 2025	-	0.01	-	0.09	0.10
13.	Mr. Sujal A. Shah up to May 29, 2025	-	0.01	-	0.09	0.10

For the financial year ended March 31, 2025, considering the profits of the Company, the Board of Directors at its meeting held on May 13, 2025, proposed approved payment of remuneration by way of commission to the Non-Executive Independent Directors. Subsequently, at the 111<sup>th</sup> Annual General Meeting (AGM) held on August 04, 2025, the shareholders approved by way of special resolution, the payment of remuneration by way of commission to the Non-Executive Independent Directors (NEIDs) of the Company for the financial year 2024-25.

Based on the performance of the Company, the Nomination and Remuneration Committee (NRC) at its meeting held on May 05, 2026, recommended payment of a performance-linked incentive of ₹ 97 Lakhs to Mr. Priyavrata H. Mafatlal, Managing Director, for the financial year 2025-26 in accordance with the terms of his appointment approved by the members at the 110<sup>th</sup> Annual General Meeting. Further, considering the profits of the Company for the financial year ended March 31, 2026 the NRC at the same meeting, also recommended payment of remuneration by way of commission aggregating to ₹ 96 Lakhs to the NEIDs including those who were ceased to hold office during the year, subject to the approval of the Board and the shareholders by way of special resolution at the 112<sup>th</sup> Annual General Meeting (AGM).

The remuneration by way of commission proposed to be paid to each Non-Executive Independent Director is set out in the explanatory statement to Item No. 7 forming part of the Notice of the 112<sup>th</sup> AGM.



## CORPORATE GOVERNANCE REPORT (Contd.)

Mr. Hrishikesh A. Mafatlal, Executive Chairman, has voluntarily waived his remuneration and has not drawn any remuneration during his last two terms of appointment commencing from the year 2017. Accordingly, no remuneration was paid to him during the financial year 2025-26.

During the year under review, there was no pecuniary relationship or transaction with any Non-Executive Independent Director of the Company, except for the payment of professional fees to Jadeja & Partners (formerly known as Jadeja and Satiya), a Mumbai-based law firm in which Mr. Abhay R. Jadeja, Independent Director of the Company is a partner. The details of the fees paid are disclosed under related party transactions in the notes forming part of the standalone and consolidated financial statements. The said transaction was duly reviewed, considered, and approved by the Audit Committee.

No remuneration by way of commission shall be paid to any Individual Non-Executive Director in excess of 50% of the total annual commission payable to all Non-Executive Directors of the Company. No bonus or stock options were given/provided to any Directors for the financial year 2025-26.

### **Other service contracts, notice period, severance fees relating to Directors:**

Letters of appointment containing terms and conditions including remuneration were issued to the Executive Directors. Besides, appointment letters were also issued to all Independent Directors. The standard terms and conditions of appointment applicable to Independent Directors are available on the Company's website at <https://www.mafatlals.com/investors/>.

## **5. STAKEHOLDERS RELATIONSHIP/INVESTORS' GRIEVANCE COMMITTEE**

The terms of reference of the Stakeholders' Relationship/Investors' Grievance Committee are in accordance with the provisions of Section 178 of the Companies Act, 2013, read with Part D (B) of Schedule II and Regulation 20 of the SEBI (LODR) Regulations, 2015, as amended from time to time. The composition of the Committee was in conformity with the said provisions. The Board of Directors of the Company reviewed the stakeholders'/investors' grievances, if any, at the end of every quarter.

### **(a) Roles of the Stakeholders Relationship/Investors Grievance Committee**

The Stakeholders' Relationship/Investors Grievance Committee looks into the stakeholders' complaints and provides guidance for its expeditious redressal. The role of the Committee inter-alia includes the following:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards by the Registrar and Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.



## CORPORATE GOVERNANCE REPORT (Contd.)

**(b) Composition, meeting, and attendance:**

During the financial year under review, one meeting of the Committee was held which was attended by the members as follows:

Sr. No.	Name of the Director	Designation	March 24, 2026	Meeting Attended	% of Attendance
1.	Mr. Atul K. Srivastava	Chairman up to May 15, 2025	NA	0	NA
2.	Mr. Abhay R. Jadeja	Chairman w.e.f. May 15, 2025, members up to May 14, 2025	Yes	1	100%
3.	Mr. Hrishikesh A. Mafatlal	Member	Yes	1	100%
4.	Mr. Priyavrata H. Mafatlal,	Member w.e.f. May 15, 2025	Yes	1	100%
5.	Mr. Desh Deepak Khetrpal	Member w.e.f. May 15, 2025	Yes	1	100%

Yes - Present | Not - Absent | NA - Not applicable | LA - Leave of absence

The Board of Directors reconstituted the Committee on May 15, 2025, consequently Mr. Abhay R. Jadeja has been appointed as Chairman of the Committee and Mr. Priyavrata H. Mafatlal and Mr. Desh Deepak Khetrpal have been appointed as Members of the Committee. The meeting was held physically.

Mr. Amish P. Shah, Company Secretary of the Company, acted as Secretary to the Committee.

**Name, Designation and Address of Compliance Officer:**

Mr. Amish P. Shah  
Company Secretary and Compliance Officer  
Mafatlal Industries Limited,  
301-302, Heritage Horizon,  
3<sup>rd</sup> Floor, off. C. G. Road,  
Navrangpura, Ahmedabad - 380 009  
Tel: 079 2644 4404-06

The details of complaints received from stakeholders from April 01, 2025 to March 31, 2026 are as follows:

- Number of shareholders' complaints received: 15
- Complaint not resolved to the satisfaction of shareholders: Nil
- Number of pending complaints (as of March 31, 2026): Nil

**(c) Particulars of key managerial personnel (kmeps) and senior management**

Sr. No.	Name	Designation
1.	Mr. Priyavrata H. Mafatlal	Managing Director, re-appointed and re-designated as Managing Director and Chief Executive Officer with effect from June 01, 2026
2.	Mr. Milan Shah	Chief Financial Officer (CFO), up to May 31, 2025
3.	Mrs. Smita Jhanwar	Chief Financial Officer (CFO) with effect from June 01, 2025, Vice President (Finance) up to May 31, 2025
4.	Mr. M. B. Raghunath	Chief Executive Officer (CEO), up to May 31, 2026
5.	Mr. Amish P. Shah	Company Secretary (CS)
6.	Mr. Gaurav Gupta	Vice President (Marketing), up to April 13, 2026
7.	Mr. Vatsal Sheth	Vice President – Operations and Procurement
8.	Mr. Akash Dhuri	General Manager – Sales



**CORPORATE GOVERNANCE REPORT (Contd.)**

During the financial year, the Company witnessed changes in its senior management leadership. Mr. Milan Shah was relieved upon completion of his tenure with the Company on May 31, 2025. Subsequently, Mrs. Smita Jhanwar has appointed as the Chief Financial Officer (CFO) with effect from June 01, 2025. Her appointment is expected to further strengthen the Company's leadership capabilities and support its long-term growth strategy.

Further, Mr. M. B. Raghunath, Chief Executive Officer (CEO), will be retired upon attaining the age of sixty years on May 31, 2026. Consequently, Mr. Priyavrata H. Mafatlal will be re-appointed as Managing Director and re-designated as Chief Executive Officer (MD & CEO) of the Company effective from June 01, 2026.

Except Mr. Hrishikesh A. Mafatlal and Mr. Priyavrata H. Mafatlal none of our Directors is related to each other and to any of the Key Managerial Personnel as per the provisions of Companies Act, 2013.

**6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

**(a) Roles and terms of reference of Corporate Social Responsibility Committee**

The Role of the Committee is to formulate and recommend to the Board a Corporate Social Responsibility Policy which shall include recommendation of the amount of expenditure, guiding principles for selection, implementation and monitoring of CSR activities, as well as formulation of annual plan for implementation of CSR. On the recommendations of the Committee, based on reasonable justifications to that effect, the Board may alter such plan at any time during the financial year. The Committee shall review and recommend to the Board amendments to the CSR Policy.

**Terms of Reference**

The terms of reference of the Committee are as under:

- 1) To formulate and recommend to the Board a Corporate Social Responsibility Policy ('CSR Policy');
- 2) To recommend the amount of expenditure to be incurred by the Company on the activities listed in CSR Policy.
- 3) To monitor the CSR Policy of the Company from time to time; and
- 4) Such other roles and functions as may be prescribed in the Companies Act, 2013 and Rules made thereunder.

**(b) Composition, meeting and attendance:**

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

Sr. No.	Name of the Directors	Designation	(1)	(2)	Meeting Attended	% of Attendance
			May 12, 2025	November 17, 2025		
1.	Mr. Hrishikesh A. Mafatlal	Chairman	Yes	Yes	2	100%
2.	Mr. Atul K. Srivastava	Member	Yes	Yes	2	100%
3.	Mr. Sujal A. Shah	Member up to May 15, 2025	Yes	NA	1	100%
4.	Mr. Abhay R. Jadeja	Member w.e.f. May 15, 2025	NA	Yes	1	100%

Yes - Present | Not - Absent | NA - Not applicable | LA - Leave of absence

**CORPORATE GOVERNANCE REPORT (Contd.)**

The tenure of Mr. Sujal A. Shah, Independent Director, concluded on May 29, 2025, upon completion of his second term. Consequently, the Board of Directors reconstituted the Corporate Social Responsibility (CSR) Committee on May 15, 2025, and Mr. Abhay R. Jadeja has been appointed as Member of the Committee. All such meetings were held through Video Conferencing (VC).

Mr. Amish P. Shah, Company Secretary of the Company, acted as Secretary to the Committee.

**7. SHARE ALLOTMENT COMMITTEE****(a) Role of the Share Allotment Committee**

The role of the Committee is to issue and allot all kinds of securities that may be issued by the Company from time to time, subject to the provisions of the Companies Act, 2013 and subject to the Memorandum and Articles of Association of the Company.

**(b) Composition, meeting and attendance:**

During the financial year under review, four meetings of the Committee were held which were attended by the members as follows:

Sr. No.	Name of the Directors	Designation	(1)	(2)	(3)	(4)	Meeting Attended	% of Attendance
			May 13, 2025	August 04, 2025	November 04, 2025	January 30, 2026		
1.	Mr. Hrishikesh A. Mafatlal	Chairman	Yes	Yes	Yes	Yes	4	100%
2.	Mr. Priyavrata H. Mafatlal	Member	Yes	Yes	Yes	Yes	4	100%
3.	Mr. Abhay R. Jadeja	Member	Yes	Yes	Yes	Yes	4	100%

Yes - Present | Not - Absent | NA - Not applicable | LA - Leave of absence

**8. INVESTMENT AND DIVERSIFICATION COMMITTEE:****(a) Roles of Investment and Diversification Committee**

The Committee was constituted by the Board on February 04, 2025, to support the Board in formulating, guiding, and overseeing the implementation of the Company's investment and divestment strategy.

Its responsibilities include:

- Reviewing and recommending investment, divestment and diversification plans to the Board
- Assessing the feasibility, viability and other critical aspects of investment and diversification proposals and advising the Board accordingly
- Providing guidance on appropriate levels of investment and diversification in alignment with the Company's strategic objectives
- Monitoring and evaluating the progress and performance of investments in collaboration with Company executives
- Carrying out any additional duties and responsibilities as may be delegated by the Board from time to time



CORPORATE GOVERNANCE REPORT (Contd.)

**(b) Composition, meeting, and attendance:**

During the financial year under review, no meeting of the Committee was held.

Sr. No.	Name of the Directors	Designation
1.	Mr. Desh Deepak Khetrapal	Chairman
2.	Mr. Jyotin K. Mehta	Member
3.	Dr. Archana N. Hingorani	Member
4.	Mr. Hrishikesh A. Mafatlal	Member w.e.f. May 15, 2025
5.	Mr. Priyavrata H. Mafatlal	Member w.e.f. May 15, 2025

The Board of Directors reconstituted the Committee on May 15, 2025, consequently Mr. Hrishikesh A. Mafatlal and Mr. Priyavrata H. Mafatlal have been appointed as Members of the Committee.

**9. GENERAL BODY MEETINGS**

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

Sr. No.	Location	Time	Annual General Meeting and Date	Any Special Resolutions Passed at AGM and (No. of Such Resolutions)
1.	301-302, Heritage Horizon, 3 <sup>rd</sup> Floor, off. C. G. Road, Navrangpura, Ahmedabad - 380 009 [Through Video Conferencing or Other Audio - Visual Means (VC/OAVM)]	03.30 p.m.	111 <sup>th</sup> Annual General Meeting held on August 04, 2025	Yes (1)
2.	301-302, Heritage Horizon, 3 <sup>rd</sup> Floor, off. C. G. Road, Navrangpura, Ahmedabad - 380 009 [Through Video Conferencing or Other Audio - Visual Means (VC/OAVM)]	03.30 p.m.	110 <sup>th</sup> Annual General Meeting held on August 02, 2024	Yes (5)
3.	301-302, Heritage Horizon, 3 <sup>rd</sup> Floor, off. C. G. Road, Navrangpura, Ahmedabad - 380 009 [Through Video Conferencing or Other Audio - Visual Means (VC/OAVM)]	12.00 p.m.	109 <sup>th</sup> Annual General Meeting held on August 03, 2023	Yes (1)

No Extraordinary General Meeting (EGM) and meeting convened pursuant to the directions of the Honorable National Company Law Tribunal (NCLT) was held during the financial year 2025-26.

**ii) Resolutions passed through the postal ballot:**

During the financial year 2025-26, no Resolution was passed through Postal Ballot.

**iii) Whether any Special Resolution is proposed to be conducted through postal ballot: No**

**iv) The postal ballot, whenever conducted, will be carried out as per the procedure mentioned in Rule 22 of Companies (Management and Administration) Rules, 2014, including any amendment thereof:**

Not applicable.



## CORPORATE GOVERNANCE REPORT (Contd.)

**10. MEANS OF COMMUNICATION****i) Quarterly, half-yearly and annual results:**

The unaudited quarterly/half yearly results are announced within forty-five days of the closure of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirements of the SEBI (LODR) Regulations, 2015.

The quarterly results are not sent to each shareholder as shareholders are intimated through press/media. The results are submitted to BSE Limited (Bombay Stock Exchange or 'BSE') at which the equity shares of the Company are listed and traded, by way of online filing with Listing Center of BSE. Additionally, the results are also displayed on the Company's website at [www.mafatlals.com/investors/](http://www.mafatlals.com/investors/).

**ii) Newspapers wherein results are normally published:**

Publication of results and statutory notices to the shareholders/members is generally published in Financial Express in English, all India edition and Financial Express in Gujarati in Ahmedabad edition.

**iii) Any website, where displayed:**

All disclosures, presentations, quarterly compliance, including the financial results and other major events/developments/information concerning the Company and all policies applicable under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are displayed on Company's website at [www.mafatlals.com/investors](http://www.mafatlals.com/investors).

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

Yes, hosted on the Company's website [www.mafatlals.com/investors](http://www.mafatlals.com/investors) and submitted to BSE Limited.

**v) Presentations made to institutional investors or to the analysts:**

Yes, the Company makes presentations on the operational and financial highlights to the analysts which are hosted on the Company's website at [www.mafatlals.com/investors](http://www.mafatlals.com/investors) and submitted to BSE Limited.

**11. GENERAL SHAREHOLDER INFORMATION:****i) Annual General Meeting:**

112<sup>th</sup> Annual General Meeting of the Company will be held on Friday, August 07, 2026, at 3.30 p.m. through video conferencing/Other Audio/Visual Means (VC/OAVM). However, for the purpose of record/jurisdiction, the venue is deemed to be the Registered Office of the Company situated at 301-302, Heritage Horizon, 3<sup>rd</sup> Floor, off. C. G. Road, Navrangpura, Ahmedabad - 380 009.

**ii) Financial year:**

The financial year covers the period April 01 to March 31.

Financial reporting for financial year 2026-27 (tentative):

Quarter ending June 30, 2026	August, 2026
Quarter ending September 30, 2026	November, 2026
Quarter ending December 31, 2026	February, 2027
Year ending on March 31, 2027	May, 2027
Annual General Meeting	July To September, 2027

**iii) Dividend Payment Date:**

On or before August 27, 2026, If approved at the forthcoming 112<sup>th</sup> Annual General Meeting. Friday, July 31, 2026, is the cut-off date for determining the eligibility of members entitled to receive the dividend.



CORPORATE GOVERNANCE REPORT (Contd.)

**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

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai - 400 001

Ahmedabad Stock Exchange (ASE) has been non-operational for the last many years since they 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 with the listing provisions.

The Company has paid listing fees for financial year 2025-26 to BSE Limited.

**v) Custodian Fees to Depositories:**

The fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) shall be paid on the receipt of their invoice.

**vi) Stock Code and ISIN No.:**

- BSE Limited: Security Code: 500264
- ISIN No.: INE270B01035

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

Not applicable.

**viii) Registrar and Share Transfer Agent:**

M/s. KFin Technologies Limited

Selenium Tower B, Plot No. 31&32, Financial District, Nanakramguda, Serilingampally Mandal,

Hyderabad - 500 032

E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

Website: [www.kfintech.com](http://www.kfintech.com)

**ix) Share Transfer System:**

In terms of Regulation 40(1) of the SEBI Listing Regulations, as amended from time to time, transfer (including transfer of shares under special window of lodgment open up to February 04, 2027), transmission and transposition of securities shall be effected only in dematerialized form. SEBI w.e.f. April 02, 2026, has dispensed with the requirement of Letter of Confirmation (LOC) and enabled direct credit of verified securities to investors' demat accounts. Apart from the necessary mandated documents, the following additional documents are to be submitted by the Shareholders/Claimants:

- a) Form ISR-4
- b) Demat Conversion Request Form ('DCRF') - NSDL or Demat Request Form ('DRF') - CDSL, as provided by the Depositories.
- c) Latest Client Master List ('CML') of the demat account in the same order of names, not older than two months and duly attested by the Depository Participant ('DP') where the demat account is held.
- d) Signature of Beneficiary owner(s) of the demat account required to be attested by the DP on DCRF/DRF as applicable and CML.

The Company has aligned its processes with these regulatory changes to ensure faster and more efficient handling of Shareholder requests.



## CORPORATE GOVERNANCE REPORT (Contd.)

**Special Window for lodgment of share transfer request:** Pursuant to the SEBI Circular dated January 30, 2026, the Company has enabled a special window to facilitate lodgment of transfer requests executed before April 01, 2019 but were either not lodged for transfer or were lodged and subsequently rejected, returned or not attended due to deficiency in the documents. Eligible Shareholders are encouraged to submit the requisite documents to the Company/RTA before February 04, 2027. Securities transferred through this mechanism shall be credited only in demat form and will remain under a one-year lock-in, during which they cannot be transferred, lien marked or pledged. For the information of the Shareholders, the Company has been published newspaper advertisements.

x) **Distribution of Shareholding as on March 31, 2026:**

<b>MAFATLAL INDUSTRIES LIMITED</b>					
<b>Distribution of Shareholding as on March 31, 2026 (TOTAL)</b>					
<b>Sr. No.</b>	<b>Category (Shares)</b>	<b>No. of Holders</b>	<b>% to Holders</b>	<b>No. of Shares</b>	<b>% to Equity</b>
1	1-5000	62,513	99.40	79,85,187	11.07
2	5001-10000	180	0.29	13,30,229	1.84
3	10001-20000	82	0.13	12,05,576	1.67
4	20001-30000	38	0.06	9,33,959	1.29
5	30001-40000	15	0.02	5,56,606	0.77
6	40001-50000	17	0.03	7,63,690	1.06
7	50001-100000	17	0.03	11,62,448	1.61
8	100001 and above	31	0.05	5,82,26,235	80.69
	<b>TOTAL:</b>	<b>62,893</b>	<b>100.00</b>	<b>7,21,63,930</b>	<b>100.00</b>

xi) **Shareholding Pattern:****Shareholding Pattern as on March 31, 2026**

<b>Sr. No.</b>	<b>Category</b>	<b>Number of Shares Held</b>	<b>% of Holding</b>
1	Promoter and Promoter Group	5,00,22,470	69.32
2	Mutual Funds/UTI	200	0.00
3	Banks	4,440	0.01
4	Foreign Institutional Investors (FIIS)	2,96,123	0.41
5	Bodies Corporate	21,29,901	2.95
6	Indian Public	1,66,67,611	23.10
7	Investor Education and Protection Fund	10,70,984	1.48
8	Non-Resident Indians	6,14,607	0.85
9	Foreign Nationals	547	0.00
10	Others (Trust, NBFC, Insurance Company and others)	13,57,047	1.88
<b>Total</b>		<b>7,21,63,930</b>	<b>100.00</b>



CORPORATE GOVERNANCE REPORT (Contd.)

**xii) 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, 2026, 38,260 shareholders holding 7,14,91,835 equity shares have dematerialized their shares which constitute 99.06% 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. All equity shares issued by the Company carry equal voting rights.

**xiii) Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any ADRs/GDRs/Warrants or any convertible instruments.

**xiv) Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, e-mail 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 Depository Participants.**

For furnishing PAN, KYC details and Nomination shareholders may visit RTA website at <https://ris.kfintech.com/clientservices/isr/isr1.aspx?mode=f3Y5zP9DDNI%3d>.

**Mandatory furnishing of PAN, KYC details and nomination by holders of physical securities:**

Pursuant to SEBI mandate, it is mandatory for all holders of physical securities in listed companies to furnish PAN, nomination, contact details, bank A/c details and specimen signature for their corresponding folio numbers. In case of non-updation of PAN, choice of nomination, contact details including mobile number, bank account details and specimen signatures in respect of the physical folios, no dividend shall be paid to the investor until all the aforesaid KYC details are updated by the investor. Once updated, all the unclaimed dividend previously declared by the Company shall be paid to the shareholder electronically.

**xv) Commodity price risk or foreign exchange risk and hedging activities:**

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Master Circular dated July 11, 2023, is not required to be given. The Company follows a conservative and risk-averse approach towards managing its foreign currency exposure. Hence, the Company endeavors to mitigate the risk associated with the exchange rate fluctuation by entering into a hedging contract wherever it is found 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.

**xvi) Plant Factory location:**

Nadiad Unit: Shree Arvind Mafatlal Marg, Nadiad - 387 001, Gujarat

Sangli Unit: MIDC, Kupwad, Taluka: Miraj, Sangli - 416 436, Maharashtra

Mazgaon Unit: Rambhau Bhogale Marg, Mazgaon, Mumbai - 400 001, Maharashtra (Non-Operational)



## CORPORATE GOVERNANCE REPORT (Contd.)

**xvii) Address for Correspondence:**

<b>Hyderabad Address:</b>	<b>Mumbai Address:</b>	<b>Ahmedabad Address:</b>
KFin Technologies Limited (RTA) Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana - 500 032, India Tel: 180 0309 4001 E-mail: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> website: <a href="http://www.kfintech.com">www.kfintech.com</a>	KFin Technologies Limited (RTA) 6/8 Ground Floor Crossely House Near BSE Limited Next Union Bank, Fort, Mumbai - 400 001 Tel. 022- 4605 2082 E-mail: <a href="mailto:mumbaimfd@kfintech.com">mumbaimfd@kfintech.com</a>	KFin Technologies Limited (RTA) Shop 11 & 12, 3rd Eye, Near Girish Cold Drinks, C.G. Road, Ahmedabad - 380 006 Contact No.: 90 8190 3021 E-mail: <a href="mailto:ahmedabadmfd@kfintech.com">ahmedabadmfd@kfintech.com</a>

The dedicated e-mail ID for the shareholders of the Company to make correspondence with KFinTech is [einward.ris@kfintech.com](mailto: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 Marketing Office.

**Mafatlal Industries Limited****Corporate Identity Number: L17110GJ1913PLC000035**

<b>Registered Office:</b>	<b>Marketing Office:</b>
301-302 Heritage Horizon, 3 <sup>rd</sup> Floor, off. C. G. Road, Navrangpura, Ahmedabad - 380 009 Tel: 079 2644 4404-06, E-mail: <a href="mailto:ahmedabad@mafatlals.com">ahmedabad@mafatlals.com</a> Website: <a href="http://www.mafatlals.com">www.mafatlals.com</a>	Mafatlal House, 5 <sup>th</sup> Floor, H.T. Parekh Marg, Backbay Reclamation, Mumbai - 400020, Tel: +91-22-6617 3636

**xviii) Credit ratings:**

The Company has obtained its credit rating from:

(Amount ₹ in Crores)

<b>Acuite Ratings and Research Limited</b>				
<b>Dated</b>	<b>Facilities</b>	<b>Amount</b>	<b>Long Term Rating</b>	<b>Short Term Rating</b>
September 18, 2025	Bank Loan Ratings	21.00	ACUITE A-/Stable/Assigned	-
	Bank Loan Ratings	136.00	ACUITE A-/Stable/Upgraded	-
	Bank Loan Ratings	33.00	-	ACUITE A2+/Assigned
	Bank Loan Ratings	187.00	-	ACUITE A2 +/Upgraded
	<b>Total</b>	<b>377.00</b>	-	-
<b>CARE Ratings Limited</b>				
<b>Dated</b>	<b>Facilities</b>	<b>Amount</b>	<b>Rating</b>	<b>Rating Action</b>
September 30, 2025	Long-Term Bank Facilities	70.30	CARE BBB+; Stable	Upgraded from CARE BBB; Stable
	Long-Term/Short-Term Bank Facilities	210.00	CARE BBB+; Stable/CARE A2	Upgraded from CARE BBB; Stable/CARE A3+
	Short-Term Bank Facilities	96.00	CARE A2	Upgraded from CARE A3+
	<b>Total</b>	<b>376.30</b>	-	-



CORPORATE GOVERNANCE REPORT (Contd.)

**xix) 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 during the financial year under review.

**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:**

There were no instances of non-compliance with any matter related to capital markets during the last three years and the Company has complied with the requirements of regulatory authorities on capital markets. However, on June 28, 2024, BSE Limited imposed a nominal fine of ₹ 5,000/- on the Company due to a one-day delay in the XBRL filing of disclosures relating to related party transactions on a consolidated basis, pursuant to Regulation 23(9) of the SEBI (LODR) Regulations, 2015. The delay was inadvertent and occurred due to a malfunction in the revalidation process of the XBRL file. The issue was promptly identified and resolved and the Company has since strengthened its internal controls to prevent re-occurrence.

**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 the SEBI (LODR) Regulations, 2015 read with the amended SEBI (Prohibition of Insider Trading) Regulation, 2015 the Company has devised a 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 has been denied access to the Audit Committee of the Board of Directors of the Company. During the year under review, no complaint has 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 <https://www.mafatlals.com/investors/>.

**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 Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with other applicable provisions. Internal Complaints Committees are constituted and regularly redress complaints, if any, in timely manner. The Company is dedicated to ensuring enactment, observance and adherence to guidelines and best practices that prevent and prosecute commission of acts of sexual harassment. 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.

- a. Number of complaints pending at the beginning of the financial year (April 01, 2025): Nil
- b. Number of complaints filed during the financial year: Nil
- c. Number of complaints disposed of during the financial year: Nil
- d. Number of complaints pending as at the end of the financial year (March 31, 2026): Nil



## CORPORATE GOVERNANCE REPORT (Contd.)

**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 Regulations.

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

The Company does not have a material subsidiary. The policy for determining material subsidiary is posted on the Company website at: [www.mafatlals.com/investors/](http://www.mafatlals.com/investors/).

**g) Web link where policy on dealing with related party transactions:** [www.mafatlals.com/investors/](http://www.mafatlals.com/investors/).**h) The Company has adopted a Dividend Distribution Policy, which aims to ensure fairness, sustainability and consistency in distributing profits to the shareholders. The Dividend Distribution Policy is posted on the Company website at:** [www.mafatlals.com/investors/](http://www.mafatlals.com/investors/).

All other mandatory policies and disclosure applicable to the Company under the prevailing Acts, rules, regulations are posted on the Company website at: [www.mafatlals.com/investors/](http://www.mafatlals.com/investors/).

**i) 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 2,46,500 (3<sup>rd</sup> Grant) and 7000 (4<sup>th</sup> Grant) equity shares of ₹ 2/- each under the Mafatlal Employee Stock Option Scheme 2017 issued at ₹ 36.20 /- and ₹ 131.15 /- each share, respectively.

**j) 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.****k) The Board of Directors accepted all recommendations from all the Committees of the Board during the financial year 2025-26.****l) Total fees for all services paid by the listed entity and its Subsidiary, 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 Crores)
Statutory Audit Fees	0.39
Limited Reviews	0.17
Certification Fees	0.02
Re-imbusement of Expenses	0.01

The Statutory Auditors of the Company have not provided any services to the subsidiary of the Company. No fee is paid by the subsidiary to the Statutory Auditors of the Company, M/s. Price Waterhouse Chartered Accountants LLP.

**m) Disclosures with respect to IEPF, Demat suspense account/unclaimed suspense account and Dividend:**

Pursuant to the provisions of Section 124 of the Companies Act, 2013, any dividend amount remaining unclaimed for a period of seven consecutive years is required to be transferred to the Investor Education and Protection Fund (IEPF). Since the Company had not declared any dividend after the financial year 2016-17, no unclaimed dividend amount was otherwise due for transfer to the IEPF.



## CORPORATE GOVERNANCE REPORT (Contd.)

However, during the financial year 2024-25, an amount of ₹ 4,86,570/- pertaining to unclaimed dividend for the financial year 2016-17 was transferred to the IEPF and also for the financial year 2024-25, Company has transferred 1,84,959 equity shares of ₹ 2/- each of 8400 shareholders in respect of which the dividend has not been claimed for a period of seven years to the demat account of IEPF Authority in compliance with the applicable provisions.

Members who have not claimed their dividend declared and paid by the Company are requested to claim their dividend in order to avoid transferring the same into the Investor Education and Protection Fund. Members are requested to register their Bank details with their DP to receive credit of dividend in time.

The IEPF Authority launched a 100 day campaign, Saksham Niveshak in July 2025 to enhance investor awareness and expedite resolution of pending matters relating to unclaimed dividends, shares transferred to IEPF and updating of KYC and nomination details. In support of this initiative, the Company intimated through Stock Exchange and Social Media Posts urging Shareholders to update their KYC and claim their unclaimed dividend(s).

The IEPF Authority has additionally introduced an integrated digital platform to streamline claim processes and improve grievance redressal, accessible here. Shareholder/claimant may also contact the Authority through the 24x7 Interactive Voice Response System ('IVRS') by dialing five-digit short code 14453. The IVRS support shall be available round the clock, while call center can be reached from 9:30 a.m. to 5:30 p.m. (IST) Monday to Friday.

The Contact details of IEPF officers are available at IEPF Contacts tab.

### Nodal Officer and Deputy Nodal Officer:

Details of Nodal Officer and Deputy Nodal Officer of the Company appointed in accordance with the provisions of IEPF Rules are given below:

Nodal Officer	Deputy Nodal Officer
Amish P. Shah, Company Secretary	Harsh N. Patel
Email: <a href="mailto:amish.shah@mafatlals.com">amish.shah@mafatlals.com</a>	Email: <a href="mailto:ahmedabad@mafatlals.com">ahmedabad@mafatlals.com</a>
Registered Office: 301-302 Heritage Horizon, 3 <sup>rd</sup> Floor, off. C. G. Road, Navrangpura, Ahmedabad - 380 009 Tel: 079 2644 4404-06	

The details of shares transferred to/released from Suspense Escrow Demat Account (SEDA) during the financial year 2025-26 are as under:

Particulars	Number of Shareholders	Number of Equity Shares
Number of aggregate shareholders and outstanding shares in the unclaimed suspense account as on April 01, 2025	58	2,255
Number of Shareholders who approached the Company for transfer of shares from unclaimed suspense account during the year	4	255
Number of Shareholders to whom shares were transferred from unclaimed suspense account during the year	4	255
Aggregate number of shareholders and the outstanding shares in unclaimed suspense account as on March 31, 2026	54	2,000



## CORPORATE GOVERNANCE REPORT (Contd.)

- n) The disclosure of the compliance with corporate governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) 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 the mandatory Corporate Governance requirements as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and part C, D and E of Schedule V of the SEBI Listing Regulations. The discretionary requirements as stipulated in Part E of Schedule II of the SEBI Listing Regulations have been adopted to the extent and in the manner as stated under the appropriate headings in the Report on Corporate Governance.

- o) The Company's financial statements for the financial year 2025-26 do not contain any audit qualification.**

- p) Disclosure of accounting treatment different from accounting standards:**

There is no deviation in following the treatments prescribed in any Indian Accounting Standard in preparation of financial statements for the financial year 2025-26.

- q) The Company presently has separate positions of Executive Chairman and Managing Director. With effect from June 01, 2026, the Managing Director will be additionally re-designated as the Chief Executive Officer (CEO).**

- r) Code of Conduct for Board Members and Senior Management:**

The Board of Directors has laid down a Code of Conduct for all Board Members and members of the senior management and Code of Conduct to Regulate, Monitor and Report Trading in securities by designated persons and their immediate relatives under Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended.

The Code was placed on the Company's website [www.mafatlals.com/investors/](http://www.mafatlals.com/investors/). 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. The Company has also installed a dedicated software tool to maintain Structured Digital Database (SDD) as required by the SEBI (Prohibition of Insider Trading) Regulations, 2015.

- s) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:**

The Company does not have any material subsidiary.

- t) Online Dispute Resolution (ODR) Portal / SEBI Complaints Redress System (SCORES):**

SEBI vide its Circular No. SEBI/HO/OIAE/OIAE\_IAD-1/P/ CIR/2023/131 dated July 31, 2023 (subsumed as part of the SEBI Master Circular No. SEBI/HO/OIAE/OIAE\_IAD-3/P/CIR/2023/195 dated December 28, 2023) has issued a Circular for online resolution of disputes in the Indian securities market.

With the said Circular, the existing dispute resolution mechanism in the Indian securities market is being streamlined under the aegis of Stock Exchanges and Depositories by expanding their scope and by establishing a common Online Dispute Resolution Portal ('ODR Portal') which harnesses online



## CORPORATE GOVERNANCE REPORT (Contd.)

conciliation and online arbitration for resolution of disputes arising in the Indian securities market. The said Circular, inter alia, details about the following key aspects:

- Investors, listed companies, specified intermediaries, and regulated entities have been covered under the ambit of ODR Portal
- Introduction of a common ODR Portal
- Process for initiation of the dispute resolution process on ODR Portal
- Procedure for conciliation and arbitration, its form of proceedings and fees and charges thereto
- Roles and responsibilities of market infrastructure institutions like Stock Exchanges and Depositories and Market Participants like listed entity and RTA

The shareholders can access the ODR Portal at <https://smartodr.in/login>

Investor complaints are processed by SEBI through its centralized web-based complaints redress system. The salient features of this system include a centralized database of all complaints, online submission of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaints and their current status. The Company submits ATR on a timely basis in respect to the complaints received through SCORES platform.

The shareholders can access the SCORES Portal at <https://scores.sebi.gov.in>

### u) **Grievance Redressal Mechanism:**

The Company has established a structured and robust Investor Grievance Redressal Mechanism to ensure timely, transparent, and effective resolution of investor complaints and queries. All investor grievances received by the Company are promptly attended to and resolved by the Registrar and Share Transfer Agent ('RTA') in coordination with the Company.

The following escalation matrix has been adopted by the Company for redressal of investor grievances:

- Investors may initially lodge their complaints directly with the Company or the Registrar and Share Transfer Agent (RTA)
- In case the grievance remains unresolved, the matter may be escalated to the Company Secretary and Compliance Officer of the Company
- Investors may thereafter lodge complaints through the SEBI Complaints Redress System ('SCORES') portal
- In the event of unresolved disputes, investors may file the matter on the SMART ODR (Online Dispute Resolution) Portal in accordance with the applicable regulatory framework

Monitoring and Disclosures: The Stakeholders' Relationship Committee of the Board, inter alia, periodically reviews the status of investor grievances and the measures undertaken for their effective and timely resolution. The Committee also monitors investor service standards and ensures strengthening of the grievance redressal framework of the Company.

Further, the status of investor grievances and their resolution is regularly disclosed to the stock exchanges in compliance with the applicable regulatory requirements and also forms part of the Annual Report of the Company.



CORPORATE GOVERNANCE REPORT (Contd.)

**v) Disclosure on loans or advances:**

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

**w) Management Discussion and Analysis:**

Management Discussion and Analysis form a part of this Annual Report.

**x) Reporting of Internal Auditor:**

The Internal Auditors of the Company make presentations to the Audit Committee on their reports as per the approved audit programs by the Audit Committee at the beginning of the year on a quarterly basis.

**y) Cyber security incidents or breaches or loss of data or documents:**

During the financial year, no cybersecurity incidents, breaches or losses of data or documents have been recorded.

**z) Website of the Company and Investor:**

The Company has a dedicated section 'Investor' on its website at <https://www.mafatlals.com/investors> which encompasses all the information for the investors like Financial Results, Policies and Codes, Stock Exchange filings, Press Releases, and Annual Reports, among others.

**aa) 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 SEBI (LODR) Regulations, 2015 (b) quarterly certification on the financial results to the Board in terms of Listing Regulations.

**ab)** During the year, the Board quarterly reviewed compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

**ac) Disclosure of certain types of agreements binding Listed Entities:**

There is no such agreement which is required to be disclosed under clause 5A of paragraph A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board of Directors

**Mafatlal Industries Limited**

**Hrishikesh A. Mafatlal**

Chairman

(DIN: 00009872)

Place: Mumbai

Date: May 05, 2026

**Regd. Office:**

Mafatlal Industries Limited

(CIN L17110GJ1913PLC000035)

301-302, Heritage Horizon, 3<sup>rd</sup> Floor, off. C. G. Road, Navrangpura, Ahmedabad - 380 009.

Tel: 079 - 2644 4404 - 06

E-mail: [ahmedabad@mafatlals.com](mailto:ahmedabad@mafatlals.com)

Website: [www.mafatlals.com](http://www.mafatlals.com)



CORPORATE GOVERNANCE REPORT (Contd.)

**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 financial year ended on March 31, 2026.

**M. B. Raghunath**

Chief Executive Officer (CEO)

Place: Mumbai

Date: May 05, 2026

**Regd. Office:**

Mafatlal Industries Limited  
(CIN L17110GJ1913PLC000035)  
301-302, Heritage Horizon, 3<sup>rd</sup> Floor, Off. C. G. Road,  
Navrangpura, Ahmedabad - 380 009  
Tel: 079 - 2644 4404 - 06  
Email: [ahmedabad@mafatlals.com](mailto:ahmedabad@mafatlals.com)  
Website: [www.mafatlals.com](http://www.mafatlals.com)

**Certification By Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Pursuant to Clause 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Mr. M. B. Raghunath, Chief Executive Officer and Mrs. Smita Jhanwar, Chief Financial Officer of the Company, have certified to the Board that:

- a) They have reviewed the financial statement and the cash flow statement for the financial year 2025-26 and that to the best of their knowledge and belief:
  - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - II. These statements together present a true and fair view of the Company's affairs and are compliant with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or violative of Company's Code of Conduct.
- c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. They have not come across any reportable deficiencies in the design or operation of such internal controls.
- d) They have indicated to the Auditors and the Audit Committee:
  - I. That there are no significant changes in the internal control over financial reporting during the financial year.
  - II. There are no significant changes in the accounting policies during the financial year, and
  - III. There are no instances of significant fraud of which they have become aware.

For, **Mafatlal Industries Limited**

Place: Mumbai  
Date: May 05, 2026

**M. B. Raghunath**  
Chief Executive Officer (CEO)

**Smita Jhanwar**  
Chief Financial Officer (CFO)



## CORPORATE GOVERNANCE REPORT (Contd.)

### Auditor's Certificate on compliance with conditions of Corporate Governance

#### To the Members of Mafatlal Industries Limited

1. This certificate is issued in accordance with the terms of our agreement dated May 01, 2026.
2. The Corporate Governance Report for the year ended March 31, 2026 containing the details of compliance with the conditions of Corporate Governance of Mafatlal Industries Limited ('the Company') has been prepared by the Management of the Company in connection with the requirements for the Company's compliance with the conditions of Corporate Governance set out in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 26A, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V ('the Conditions of Corporate Governance') of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('the SEBI Listing Regulations, 2015'). We have examined the compliance of the Conditions of Corporate Governance by the Company pursuant to the requirement of para E of Schedule V of SEBI Listing Regulations, 2015 ('Requirement').

#### Management's Responsibility

3. The implementation of the requirements and compliance of the Conditions of Corporate Governance and the preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the Company's compliance of the Conditions of Corporate Governance listed in SEBI Listing Regulations, 2015.

#### Auditor's Responsibility

4. Pursuant to the requirement, it is our responsibility to examine the audited books of account and records of the Company and provide a reasonable assurance in the form of an opinion whether the Company has complied with the Conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.
5. The financial statements relating to the books of account and records referred to in paragraph 5 above have been audited by us pursuant to the requirements of the Companies Act, 2013, on which we issued an unmodified audit opinion vide our report dated May 05, 2026. Our audit of these financial statements has been conducted in accordance with the Standards on Auditing referred to in Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
6. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' and, to the extent considered applicable, the 'Guidance Note on Certification of Corporate Governance', both issued by the ICAI. The 'Guidance Note on Reports or Certificates for Special Purposes' requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements'.
8. Our examination, as referred to in paragraph 6 above, is neither an audit nor an expression of opinion on the financial statements of the Company.



## CORPORATE GOVERNANCE REPORT (Contd.)

### Opinion

9. Based on our examination as set out in paragraphs 6 and 8 above and the information and explanations given to us, in our opinion the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.
10. 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.

### Restriction on Use

11. Our obligations in respect of this certificate are separate from, and are not amended, increased, or otherwise affected by any other role we have or may have had as auditor of the Company or otherwise. Nothing in the certificate, nor anything said or done in the course of or in connection with the services that are the subject of the certificate, will extend any duty of care we have or may have had in our capacity as auditor of the Company.
12. This certificate has been addressed to the members of the Company and issued at the request of the Board of Directors of the Company solely to be annexed with the Director's report to enable the Company to comply with its obligations under SEBI Listing Regulations, 2015. Our certificate should not be used by any other person or for any other purpose. Price Waterhouse Chartered Accountants LLP do not accept or assume any liability or duty of care for any other purpose or to any person other than the Company.

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

### **Pankaj Khandelia**

Partner

Membership Number: 102022

UDIN: 26102022LNUGQB2793

Place: Mumbai

Date: May 05, 2026



CORPORATE GOVERNANCE REPORT (Contd.)

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2026**

[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 - 380 009

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 'the 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, 2026 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, 2026 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;



## CORPORATE GOVERNANCE REPORT (Contd.)

- (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
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.



## CORPORATE GOVERNANCE REPORT (Contd.)

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were changes in the composition of the Board of Directors and Key Managerial Personnels that took place during the period under review which is as under:

Sr. No.	Name of Director	Designation	Appointment/Change in Designation/Cessation	Date of Appointment/Change in Designation/Cessation
1	Mr. Desh Deepak Khetrupal	Director (Non-Executive Independent Director)	*Change in Designation	April 15, 2025
2	Dr. Archana N. Hingorani	Director (Non-Executive Independent Director)	*Change in Designation	April 15, 2025
3	Mrs. Latika Pradhan	Director (Non-Executive Independent Director)	Cessation	April 16, 2025
4	Mrs. Smita Jhanwar	Chief Financial Officer	Appointment	June 01, 2025
5	Mr. Milan Shah	Chief Financial Officer	Cessation	May 31, 2025
6	Mr. Sujal Shah	Director (Non-Executive Independent Director)	Cessation	May 29, 2025
7	Mr. Gautam Chakravarti	Director (Non-Executive Independent Director)	Cessation	May 29, 2025

\*Pursuant to the approval of the members through Postal Ballot, the results of which were declared on April 16, 2025, the designation of Mr. Desh Deepak Khetrupal and Dr. Archana N. Hingorani was changed from Additional Director to Director of the Company with effect from April 15, 2025.

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 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 incorporated a subsidiary company under the name and style of Mafatlal Apparel Exports Private Limited.

Except this there were no other events having a major bearing on the Company's Affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc.

**UMESH VED**  
**UMESH VED & ASSOCIATES**  
**COMPANY SECRETARIES**

FCS NO.: 4411

COP NO.: 2924

PEER REVIEW NO.: 6564/2025

UDIN: F004411H000282568

Date: May 05, 2026

Place: Ahmedabad



## CORPORATE GOVERNANCE REPORT (Contd.)

To,  
The Members,  
**MAFATAL INDUSTRIES LIMITED,**  
301-302, Heritage Horizon, Third Floor, off. C. G. Road,  
Navrangpura, Ahmedabad - 380 009

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.: 6564/2025

UDIN: F004411H000282568

Date: May 05, 2026

Place: Ahmedabad



## CORPORATE GOVERNANCE REPORT (Contd.)

**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 - 380 009

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 and 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](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on March 31, 2026 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. Hrishikesh A. Mafatlal	00009872	May 03, 1979
2	Mr. Atul K. Srivastava	00046776	October 10, 2012
3	Dr. Archana N. Hingorani	00028037	February 04, 2025
4	Mr. Priyavrata H. Mafatlal	02433237	November 01, 2016
5	Mr. Desh Deepak Khetrapal	02362633	February 04, 2025
6	Mr. Jyotin K. Mehta	00033518	October 26, 2024
7	Mr. Ashutosh S. Bishnoi	02926849	May 27, 2024
8	Mr. Abhay R. Jadeja	03319142	May 27, 2024

Ensuring the eligibility 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. 6564/2025  
UDIN: F004411H000282535

Date: May 05, 2026  
Place: Ahmedabad



# 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, 2026, and 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 material accounting policy information 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, 2026, and 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 matter

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
<p><b>Assessment of recoverability of deferred tax assets:</b></p> <p>Refer Note 36(e) to the standalone financial statements.</p> <p>The Company has recognised Deferred Tax Assets ('DTA') on temporary differences including accumulated losses 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 ₹ 63.32 crores as at March 31, 2026.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Evaluation of the design and testing operating effectiveness of Company's controls relating to the assessment of carrying amount of DTA.</li> <li>• Assessed the appropriateness of the Company's accounting policy in respect of recognizing DTA on temporary differences including accumulated losses and unabsorbed depreciation.</li> <li>• Obtained the future taxable profit projections prepared by the management and assessed the reasonableness of the assumptions used in such preparation and compared actual results to management's historical forecasts.</li> </ul>



## Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
<p>We considered this a key audit matter because significant judgement is required by the Company in determining the recoverability of DTA recognised as the realisation of tax benefits is dependent on future taxable profits and there are inherent uncertainties involved in forecasting such profits.</p>	<ul style="list-style-type: none"> <li>• Verified the mathematical accuracy of the calculations underlying the profit projections.</li> <li>• Assessed the appropriateness of tax rate applied to the future taxable profits.</li> <li>• Evaluated whether the taxable temporary differences, on which DTA 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.</li> <li>• Assessed the adequacy of disclosures made in the standalone financial statements with regard to deferred taxes.</li> </ul>

**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 report's.

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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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.



## Independent Auditor's Report (Contd.)

7. In preparing the standalone financial statements, Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. 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**

9. 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.
10. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism 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.
- 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.



## Independent Auditor's Report (Contd.)

11. 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.
  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 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**
14. 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.
  15. 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, except for the matters stated in paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
    - (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 Indian 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, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164(2) of the Act.
    - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 15(b) above and paragraph 15(h)(vi) below.
    - (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
    - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our



## Independent Auditor's Report (Contd.)

opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 43 and 50 to the standalone financial statements;
- ii. The Company was not required to recognise a provision as at March 31, 2026 under the applicable law or Indian Accounting Standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any long term derivative contracts as at March 31, 2026.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2026.
- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 53(vi) to the standalone financial statements, 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;
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 53(vi) to the standalone financial statements, 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; 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 interim dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act to the extent it applies to declaration and payment of interim dividend.  
  
The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.  
  
Further, as stated in Note 17(a) to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the



## Independent Auditor's Report (Contd.)

members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained in case if any modification is done by certain users with specific access, for certain records and the audit trail is not maintained for direct database changes. During the course of performing our procedures, other than the aforesaid instances of audit trail not maintained where the question

of our commenting does not arise, we did not notice any instance of audit trail feature being tampered with. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Company as per the statutory requirements for record retention.

16. 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 Khandelwa**

Partner

Membership No.: 102022

UDIN: 26102022BPMQNY1358

Place: Mumbai

Date: May 5, 2026



## ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

*Referred to in paragraph 15(g) 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, 2026*

### **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, 2026 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 specified 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 standalone financial statements**

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements



## Annexure A to Independent Auditor's Report (Contd.)

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 standalone 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 standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to standalone financial statements**

7. Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial controls with

reference to standalone 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, 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, 2026, 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.

### **For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N / N500016

### **Pankaj Khandelia**

Partner

Membership No.: 102022

UDIN: 26102022BPMQNY1358

Place: Mumbai

Date: May 5, 2026



## ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 14 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, 2026

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment and Investment properties.
  - (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment and Investment Properties of the Company are physically verified by the Management according to a phased program 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 program, 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 favor of the lessee), as disclosed in Notes 3 and 4 on Property, Plant and Equipment and Investment Properties respectively to the standalone financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ In Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the Company
Leasehold Land	0.08	Mafatlal Industries Limited	No	April 1, 1993	The lease is in the process of being renewed

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets or both 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.
    - disclosed the details in the standalone financial statements, does not arise.
  - (e) 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 the standalone financial statements, does not arise.
- ii. (a) The physical verification of inventory 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. 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 were noticed on physical verification of inventory by Management, and have been appropriately dealt with in the books of account.
    - (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

**Annexure B to Independent Auditor's Report (Contd.)**

in agreement with the unaudited books of account (Also, refer Note 53(xii) to the standalone financial statements).

- iii. (a) The Company has made investment in one company and granted unsecured loans to employees. The aggregate amount during the year is ₹ 0.52 crore, and balance outstanding at the balance sheet is ₹ 0.50 crore. The Company has not granted secured loans or advances in nature of loans or stood guarantee or provided security to any parties during the year.
- (b) In respect of the aforesaid investment and loans, the terms and conditions under which such loans were granted or investment was made are not prejudicial to the Company's interest.
- (c) In respect of the 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 loans, there is no amount which is overdue for more than ninety days.
- (e) There were no loans which have fallen due during the year and were renewed / extended.
- vii. (a) In our opinion, the Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other statutory dues, as applicable, with the appropriate authorities. Also, refer Note 43(e) 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, 2026, for a period of more than six months from the date they became payable are as follows:

Further, no fresh loans were granted to same parties to settle the existing overdue loans.

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

- 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 are 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. Accordingly, the reporting under clause 3(v) of the Order is not applicable to the Company.

- 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 books of account maintained by the Company pursuant to the said requirement, 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.

<b>Name of the statute</b>	<b>Nature of dues</b>	<b>Amount (₹ In crores)</b>	<b>Period to which the amount relates</b>	<b>Due date</b>	<b>Date of Payment</b>
Employee's State Insurance Act, 1948	Interest on ESIC	0.41	2000-2007 and April 2008 to May 2010	2000 to 2007 and 2008 to 2010	Not paid
Central Excise Act, 1944	Central Excise	0.03	April 1986 to October 1986, May 1995 to December 1995	1986 and 1995	Not paid



Annexure B to Independent Auditor's Report (Contd.)

- (b) There are no statutory dues of provident fund, employees' state insurance 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, 2026 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount unpaid (₹ In crores)	Amount paid under protest (₹ In crores)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Central Excise Act, 1944	Central Excise	0.13	-	1998-2000, 2002-2003	Supreme Court	
Central Excise Act, 1944	Central Excise	0.39	0.03	1989-1990 to 2003-2004	Commissioner of Central Excise (Appeals)	
Central Excise Act, 1944	Central Excise	0.08	-	1999-2000	Commissioner of Central Excise	
Central Excise Act, 1944	Central Excise	29.15	0.46	2007-2008 to 2009-2010	Gujarat High Court	
Central Excise Act, 1944	Central Excise	0.81	-	1997-1999	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	
Central Excise Act, 1944	Central Excise	0.01	-	2006-2011	Assistant Commissioner of Central Excise	
Customs Act, 1944	Customs Duty	0.05	-	1989-1990 to 1999-2000	Joint Director General of Foreign Trade	
Bombay Sales Tax Act, 1959	Sales Tax	0.23	0.24	1999-2000	Joint Commissioner of Sales Tax (Appeals) - II	
Central Sales Tax Act, 1956	Central Sales Tax	0.01	0.01	1999-2000	Joint Commissioner of Sales Tax (Appeals) - II	
Finance Act, 1994	Service Tax	0.01	-	1997-1999	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	
CGST Act, 2017	Goods and Service Tax	1.72	0.92	2017-2018 to 2019-2020	Commissioner (Appeals-I), CGST & C. Ex., Mumbai	
Income Tax Act, 1961	Income Tax	1.39	-	Assesment Years 1997-1998	Bombay High Court	
Income Tax Act, 1961	Income Tax	19.03	-	Assesment Years 1997-1998, 1998-1999, 2012-2013, 2015-2016 to 2019-2020	Commissioner of Income Tax	

**Annexure B to Independent Auditor's Report (Contd.)**

- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) 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, 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 utilised for long-term purposes by the Company.
- (e) 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, 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, 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 by us, as statutory auditors, with the Central Government. Further, no such report has been filed by any other auditor appointed by the Company under the Act. 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 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 related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related



**Annexure B to Independent Auditor's Report (Contd.)**

- Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion, 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. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with the director(s). 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 as defined in the regulations made by the Reserve Bank of India. Accordingly, the additional reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) In our opinion, the Group as defined in the Reserve Bank of India (Core Investment Companies) Directions, 2025 does not have any CICs, which are part of the Group. 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 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, 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 the 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 Company was not required to spend any amount during the year for Corporate Social Responsibility under Section 135(5) of the Act. Accordingly, there is no amount unspent as at March 31, 2026 and the 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 No.: 102022

UDIN: 26102022BPMQNY1358

Place : Mumbai

Date : May 5, 2026



# STANDALONE BALANCE SHEET

as at March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3(a)	75.37	74.63
Right-of-use assets	3(b)(i)	2.17	1.74
Capital work-in-progress	3(a)	9.88	0.44
Investment properties	4	1.91	2.00
Intangible assets	5	5.48	5.72
Financial assets			
i. Investment in subsidiaries	6(A)(a)	1.39	0.88
ii. Other investments	6(A)(b),(B),(C)	389.49	443.39
iii. Trade receivables	10	0.44	0.80
iv. Other financial assets	7	12.35	4.91
Deferred tax assets (net)	36(e)	63.32	59.69
Other non-current assets	8	1.98	1.89
Current tax assets (net)	36(g)	27.92	19.76
<b>Total non-current assets</b>		<b>591.70</b>	<b>615.85</b>
<b>Current assets</b>			
Inventories	9	105.61	97.29
Financial assets			
i. Trade receivables	10	710.39	479.38
ii. Cash and cash equivalents	11	123.73	51.17
iii. Bank balances other than (ii) above	12	134.48	111.01
iv. Loans	13	0.50	0.01
v. Other financial assets	14	10.43	10.02
Other current assets	15	49.91	25.48
Current tax assets (net)	36(g)	23.24	-
<b>Total current assets</b>		<b>1,158.29</b>	<b>774.36</b>
<b>TOTAL ASSETS</b>		<b>1,749.99</b>	<b>1,390.21</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	14.43	14.38
<b>Other equity</b>			
i. Reserves and surplus	17	388.29	312.23
ii. Other reserves	17	370.23	414.76
<b>Total equity</b>		<b>772.95</b>	<b>741.37</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	18	33.12	22.54
ii. Lease liabilities	3(b)(ii)	0.80	0.98
iii. Other financial liabilities	19	13.85	13.79
Other non-current liabilities	20(a)	1.43	1.49
Provisions	20(b)	0.43	-
<b>Total non-current liabilities</b>		<b>49.63</b>	<b>38.80</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	21	27.65	45.75
ii. Trade payables			
- total outstanding dues of micro enterprises and small enterprises; and	22	11.49	9.12
- total outstanding dues of creditors other than micro enterprises and small enterprises	22	702.72	434.24
iii. Lease liabilities	3(b)(ii)	1.59	0.86
iv. Other financial liabilities	23	154.39	98.51
Other current liabilities	24	16.86	11.88
Provisions	25	12.71	9.68
<b>Total current liabilities</b>		<b>927.41</b>	<b>610.04</b>
<b>Total liabilities</b>		<b>977.04</b>	<b>648.84</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,749.99</b>	<b>1,390.21</b>

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 Khandelwal**  
Partner  
Membership No.: 102022

**H. A. Mafatlal**  
Chairman  
(DIN: 00009872)

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

**Smita Jhanwar**  
Chief Financial Officer

**A. P. Shah**  
Company Secretary  
(Membership No.: ACS20622)

Place: Mumbai  
Date: May 05, 2026

Place: Mumbai  
Date: May 05, 2026

Place: Mumbai  
Date: May 05, 2026

Place: Mumbai  
Date: May 05, 2026

Place: Mumbai  
Date: May 05, 2026



# STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note	Year ended March 31, 2026	Year ended March 31, 2025
<b>INCOME</b>			
Revenue from operations	27	3,870.44	2,807.23
Other income	28	30.52	34.34
Other gains (net)	29	1.19	3.73
<b>Total income</b>		<b>3,902.15</b>	<b>2,845.30</b>
<b>EXPENSES</b>			
Cost of materials consumed		151.56	138.24
Purchases of stock-in-trade		3,311.72	2,297.83
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(6.84)	(17.30)
Employee benefits expense	31	61.50	58.93
Finance costs	32	8.65	10.96
Depreciation and amortization expense	33	16.63	15.03
Net impairment loss on financial assets	10,39	18.67	4.31
Other expenses	34	240.69	256.76
<b>Total expenses</b>		<b>3,802.58</b>	<b>2,764.76</b>
<b>Profit before exceptional item and tax</b>		<b>99.57</b>	<b>80.54</b>
Exceptional item	35	(2.87)	(6.00)
<b>Profit before tax</b>		<b>96.70</b>	<b>74.54</b>
Tax expense	36(a)		
- Current tax		-	-
- Deferred tax charge / (credit)		5.63	(23.60)
<b>Total tax expense</b>		<b>5.63</b>	<b>(23.60)</b>
<b>Profit for the year</b>		<b>91.07</b>	<b>98.14</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that will not be reclassified to profit or loss</i>			
- Changes in fair value of FVOCI equity instruments	17	(53.79)	(187.95)
- Remeasurements of post-employment benefit obligations charge	41	(0.11)	(0.81)
- Less: Income tax credit	36(a)	(9.26)	(21.16)
<b>Total Other Comprehensive Income for the year</b>		<b>(44.64)</b>	<b>(167.60)</b>
<b>Total Comprehensive Income / (Loss) for the year</b>		<b>46.43</b>	<b>(69.46)</b>
<b>Earnings per equity share of ₹ 2/- each</b>	46		
Basic (₹)		12.64	13.66
Diluted (₹)		12.61	13.59

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 No.: 102022

**H. A. Mafatlal**  
Chairman  
(DIN: 00009872)

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

**Smita Jhanwar**  
Chief Financial Officer

**A. P. Shah**  
Company Secretary  
(Membership No.: ACS20622)

Place: Mumbai  
Date: May 05, 2026

Place: Mumbai  
Date: May 05, 2026

Place: Mumbai  
Date: May 05, 2026

Place: Mumbai  
Date: May 05, 2026

Place: Mumbai  
Date: May 05, 2026



# STANDALONE STATEMENT OF CHANGES IN EQUITY

as at March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

## A. Equity share capital

Description	Notes	Total
<b>As at April 01, 2024</b>		<b>14.30</b>
Changes in equity share capital during the year	16	0.08
<b>As at March 31, 2025</b>		<b>14.38</b>
Changes in equity share capital during the year	16	0.05
<b>As at March 31, 2026</b>		<b>14.43</b>

## B. Other equity

Particulars	Attributable to owners of Mafatlal Industries Limited											Total	
	Securities Premium Reserve	Retained Earnings	Capital Reserve No.1	Capital Reserve No.2	Capital Reserve Amalgamation	General Reserve	Capital Redemption Reserve	Capital Investment Reserve	Investment Reserve	Share-Based Payments Reserve	Export Profit Reserve		Other Reserves FVOCI - Equity Instruments
<b>As at April 01, 2024</b>	181.48	(92.51)	0.61	0.35	36.34	6.20	83.83	0.76	0.02	1.33	0.20	581.65	800.26
Profit for the year	-	98.14	-	-	-	-	-	-	-	-	-	-	98.14
Other comprehensive income	-	(0.81)	-	-	-	-	-	-	-	-	-	(166.79)	(167.60)
<b>Total comprehensive income</b>	-	<b>97.33</b>	-	-	-	-	-	-	-	-	-	<b>(166.79)</b>	<b>(69.46)</b>
Employee share-based payment expense	-	-	-	-	-	-	-	-	-	2.01	-	-	2.01
Transfer from Share-Based Payments Reserve due to forfeiture and lapse of options	-	-	-	-	-	-	-	-	-	(0.37)	-	-	-
Transfer of gain on FVOCI Equity Instruments to Retained Earnings	-	0.10	-	-	-	-	-	-	-	-	-	(0.10)	-
Employee share options exercised	1.92	-	-	-	-	-	-	-	-	(0.55)	-	-	1.37
Dividend paid during the year [Refer Note 17(a)]	(69.12)	190.25	(0.61)	(0.35)	(36.34)	-	(83.83)	-	-	-	-	-	(7.19)
Accounting effect of NCLT order [Refer Note 49(b)]	114.28	188.35	-	-	-	6.20	-	0.76	0.02	2.42	0.20	414.76	726.99
<b>As at March 31, 2025</b>	-	91.07	-	-	-	-	-	-	-	-	-	(44.53)	91.07
Profit for the year	-	(0.11)	-	-	-	-	-	-	-	-	-	(44.53)	(44.64)
Other comprehensive income	-	90.96	-	-	-	-	-	-	-	-	-	(44.53)	46.43
<b>Total comprehensive income</b>	-	<b>90.96</b>	-	-	-	-	-	-	-	-	-	<b>(44.53)</b>	<b>46.43</b>
Employee share-based payment expense	-	-	-	-	-	-	-	-	-	0.37	-	-	0.37
Transfer from Share-Based Payments Reserve due to forfeiture and lapse of options	-	0.46	-	-	-	-	-	-	-	(0.46)	-	-	-
Employee share options exercised	1.32	-	-	-	-	-	-	-	-	(0.39)	-	-	0.93
Dividend paid during the year [Refer Note 17(a)]	-	(16.20)	-	-	-	-	-	-	-	-	-	-	(16.20)
<b>As at March 31, 2026</b>	<b>115.60</b>	<b>263.57</b>	-	-	-	6.20	-	0.76	0.02	1.94	0.20	370.23	758.52

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 No.: 102022

Place: Mumbai

Date: May 05, 2026

**H. A. Mafatlal**

Chairman

(DIN: 00009872)

Place: Mumbai

Date: May 05, 2026

**P. H. Mafatlal**

Managing Director

(DIN: 02433237)

Place: Mumbai

Date: May 05, 2026

**Smita Jhanwar**

Chief Financial Officer

Place: Mumbai

Date: May 05, 2026

**A. P. Shah**

Company Secretary

(Membership No.: ACS20622)

Place: Mumbai

Date: May 05, 2026

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



# STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>A. Cash flows from operating activities</b>		
<b>Profit before tax</b>	96.70	74.54
Adjustments for:		
Employee share-based payment expense	0.37	2.01
Depreciation and amortization expense	16.63	15.03
Finance costs	8.65	10.96
Net gain on disposal of property, plant and equipment	(0.30)	(3.27)
Net gain from sale of investments	(0.70)	(0.08)
Interest income	(9.93)	(8.83)
Apportioned income from Government grants	(0.41)	(0.54)
Dividend income from equity investments designated at fair value through other comprehensive income	(5.07)	(7.60)
Rental income from investment properties	(4.58)	(4.21)
Bad debts written off	6.88	0.85
Security deposits written off	1.62	-
Loss allowance on trade receivables	11.79	3.46
Loss allowance on security deposits	(0.36)	0.87
Net unrealized exchange gain	-	(0.38)
<b>Operating profit before working capital changes</b>	<b>121.29</b>	<b>82.81</b>
<b>Changes in working capital</b>		
Adjustments for:		
Increase in inventories	(8.32)	(17.36)
(Increase) / decrease in trade and other receivables	(275.86)	180.54
Increase / (decrease) in trade and other payables	331.83	(327.97)
Increase / (decrease) in provisions	3.35	(3.33)
	<b>51.00</b>	<b>(168.12)</b>
<b>Cash generated / (used in) from operations</b>	<b>172.29</b>	<b>(85.31)</b>
Direct taxes (paid) / refund (net of refund received)	(31.40)	1.73
<b>Net cash inflow / (outflow) from operating activities (A)</b>	<b>140.89</b>	<b>(83.58)</b>
<b>B. Cash flows from investing activities</b>		
Payments for property, plant and equipment and intangible assets	(25.55)	(12.52)
Payments for purchase of investments	(0.05)	(289.89)
Investment in subsidiary	(0.51)	(0.60)
Proceeds from sale of property, plant and equipment	1.25	3.33
Proceeds from sale of investments	0.76	290.09
Term deposits placed with banks (net)	(30.96)	(26.99)
Interest income received	9.93	7.92
Dividend received from equity investments designated at fair value through other comprehensive income	5.07	7.60
Rental income from investment properties	4.58	4.21
<b>Net cash outflow from investing activities (B)</b>	<b>(35.48)</b>	<b>(16.85)</b>



**STANDALONE STATEMENT OF CASH FLOWS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>C. Cash flows from financing activities</b>		
Proceeds from issue of equity shares	0.98	1.45
Dividend paid	(16.20)	(7.19)
Non-current borrowings taken	18.25	8.63
Non-current borrowings repaid	(14.26)	(17.16)
Current borrowings repaid (net of taken)	(11.71)	(4.81)
Principal element of lease payment	(0.97)	(0.56)
Interest paid on lease liabilities	(0.29)	(0.15)
Interest paid (including other finance costs)	(8.65)	(10.85)
<b>Net cash outflow from financing activities (C)</b>	<b>(32.85)</b>	<b>(30.64)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>72.56</b>	<b>(131.07)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>51.17</b>	<b>182.24</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>123.73</b>	<b>51.17</b>

**Reconciliation of cash and cash equivalents as per the Standalone Statement of Cash Flows**

**Components of cash and cash equivalents (Refer Note 11)**

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on hand	0.02	0.03
Balances with banks:		
(i) In Current accounts	49.64	4.29
(ii) In Deposit accounts with original maturity of less than 3 months	74.07	46.85
	<b>123.73</b>	<b>51.17</b>

**Non-cash investing activities**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Acquisition of right-of-use assets (net)	(1.51)	(1.94)

**Note:**

The above Standalone Statement of Cash Flows has been prepared under the indirect method as set out 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**

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

Firm Registration No. 012754N / N500016

**Pankaj Khandelia**

Partner

Membership No.: 102022

Place: Mumbai

Date: May 05, 2026

**H. A. Mafatlal**

Chairman

(DIN: 00009872)

Place: Mumbai

Date: May 05, 2026

**P. H. Mafatlal**

Managing Director

(DIN: 02433237)

Place: Mumbai

Date: May 05, 2026

**Smita Jhanwar**

Chief Financial Officer

(Membership No.: ACS20622)

Place: Mumbai

Date: May 05, 2026

**A. P. Shah**

Company Secretary

(Membership No.: ACS20622)

Place: Mumbai

Date: May 05, 2026



# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2026

## 1. Background

Mafatlal Industries Limited (the "Company") is a public limited Company incorporated in India, with its registered office located in Ahmedabad, Gujarat. The equity shares of the Company are listed on the Bombay Stock Exchange. The Company is part of the reputed Arvind Mafatlal Group founded in 1905. The Company is primarily engaged in textile manufacturing, having its manufacturing unit situated at Nadiad, Gujarat. In addition it is involved into asset light business model of textile and its related products, digital infrastructure and consumer durable products and others.

## 2A Material accounting policies

This note provides a list of the material 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.

### i. Basis of Preparation

#### (a) 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.

#### (b) Historical cost convention

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

- Certain financial assets and liabilities 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

#### (c) New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated May 07, 2025 and August 13, 2025 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which amended/notified certain accounting standards (see below), and are effective for annual reporting period on or after April 01, 2025:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities as per with Covenants – Amendments to Ind AS 1
- Supplier Finance Arrangements – Amendments to Ind AS 7 and Ind AS 107
- International Tax Reform – Pillar Two Model Rules – Amendments to Ind AS 12
- Lack of Exchangeability – Amendments to Ind AS 21

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

### ii. 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.

### iii. Revenue Recognition

#### Sale of goods

Revenue is recognized when the control of the goods is transferred to customer, being when the



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

goods are shipped or delivered to the customer and there are no unfulfilled obligations 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 goods and services tax, sales tax, value added 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.

Revenue in respect of fixed price contracts, is recognized when the customer pays the fixed amount based on a payment schedule or on achievement of performance obligations-based milestone model whichever is applicable. In the case of fixed-price contracts. If the services rendered by the Company exceed the payment, a contract asset is recognized. If the payments

exceed the services rendered, a contract liability is recognized.

**iv. Property, plant and equipment:**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.

**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

Leasehold land presented under Right-of-Use Assets.

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.

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 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.

Refer note 2B (v) in other accounting policies below relevant to Property, plant and equipment.

**v. Intangible assets**

Computer software includes enterprise resource planning project, business application related software, and other cost relating to such software



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

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.

Refer note 2B (vii) in other accounting policies below relevant to Intangible assets.

**vi. 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.

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.

Refer note 2B (viii) in other accounting policies below relevant to Investment properties.

**vii. 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 fair value less cost of disposal. 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.

**viii. 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.

**ix. 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.

**x. Investments and other financial assets**

*(a) 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.



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

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 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 that are not held for trading, 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.

(b) *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

**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 companies:**

Investments in subsidiary companies 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, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

(c) *Impairment of financial assets*

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost (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.

The Company's assessment is that credit risk in relation to sales made to government customers or sub-contractors to government customers is extremely low as the probability of default is insignificant.

For all non-government customers, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix by taking into consideration payment profiles over a period of 36 months before the reporting date and the corresponding historical credit loss experience within this period. The historical loss rates are adjusted to reflect the current and forward looking



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

information on macro economic factors affecting the ability of customers to settle receivables. The expected credit loss is based on aging of days, the receivables due and the expected credit loss rate. Further, the Company assesses credit risk on an individual basis in respect of certain customers in case of event driven situation such as litigations, disputes, change in customer's credit risk history, specific provision are made after evaluating the relevant facts and expected recovery.

(d) *Income recognition:*

• **Interest income**

Interest income from financial assets at amortized cost is calculated using the effective interest rate method and is recognized in the Statement of Profit and Loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after the deduction of loss allowance).

• **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.

Refer note 2B (viii) in other accounting policies below relevant to Investment and other financial assets.

**xi. 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. A financial liability is extinguished when the debtor either:

- a) discharges the liability by paying the creditor, normally with cash, other financial assets, goods or services or;
- b) is legally released from primary responsibility for the liability either by process of law or by the creditor.

**xii. 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



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

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.

**xiii. Employee benefits***(a) 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 all 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.

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.

Refer note 2B (xvii) in other accounting policies below relevant to Employee benefits.

**2.1 Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement 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. In addition, this note also explains where there have been actual adjustments this year as a result of changes to previous estimates.

The areas involving critical estimates or judgements are:

- Estimation of useful life of property, plant and equipment: Notes 2A(iv), 2B(v) and 3(a)
- Loss Allowance on trade receivables: Refer Notes 10 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.

**2B Summary of other accounting policies**

This note provides a list of other accounting policies adopted in the preparation of these



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

financial statements to the extent they have not already been disclosed in note 2A above. These policies have been consistently applied to all the years presented, unless otherwise stated.

i. *Foreign Currency Transactions*

**a) 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.

**b) 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.

ii. *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.

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

*iv. Leases***As a lessee**

The Company's lease asset classes primarily consist of 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.

*v. Property, Plant and Equipment*

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



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

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.

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'.

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 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.

Refer note 2A (iv) in material accounting policies above relevant to Property, plant and equipment.

vi. *Transition to Ind AS*

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

vii. *Intangible assets*

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 (net).

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.

Refer note 2A (v) in material accounting policies above relevant to Intangible assets.

**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.

viii. *Investment properties*

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.

Refer note 2A (vi) in material accounting policies above relevant to Investment properties.

ix. *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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.



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

x. *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 measured at amortized cost using the effective interest method.

xi. *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.

xii. *Investments and other financial assets***(a) 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.

**(b) Subsequent measurement***Investments in subsidiary companies:*

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



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

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 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 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.

*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:  
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in Other Income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains / (losses). Impairment losses are presented

as separate line item in the Statement of Profit and Loss.

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

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains / (losses) and impairment expenses are presented as separate line item in Statement of Profit and Loss.

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

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss and presented net within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in the other income. Refer note 2A (x) in material accounting policy above relevant to Investments and other financial assets.

**(c) 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,



## NOTES FORMING PART OF THE STANDALONE 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 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.

*xiii. 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.

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.

*xiv. 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.

*xv. 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.



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

Other borrowing costs are expensed in the period in which they are incurred.

*xvi. 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.

*xvii. Employee benefits*

**(a) 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.

**(b) 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 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.

**(c) Post-employment obligations**

*Defined benefit plans*

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.



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

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.

#### *Defined Contribution plan*

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.

#### **(d) 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 holdings 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 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.

Refer note 2A (xiii) in material accounting policies above relevant to Employee benefits.

#### *xviii. Cash dividend and non-cash distribution*

The Company recognizes a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is no longer at the discretion of the Company. As per the Act, a distribution is authorized when it is approved by the shareholders in case of final dividend and by the Board of Directors in case of interim dividend. A corresponding amount is recognized directly in equity.

#### *xix. Earnings per share*

##### **(a) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company



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

- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

**(b) 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.

xx. *Cash flow statement*

Cash flows are reported using the indirect method, whereby profit 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.

xxi. *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.

xxii. *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.

xxiii. *Exceptional Item*

Exceptional item 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.

xxiv. *Rounding of amounts*

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.



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

(All amounts in ₹ Crores, unless otherwise stated)

**Note 3(a) - Property, plant and equipment (including capital work-in-progress)**

Particulars	Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers and hardware	Railway sidings	Total	Capital work-in-progress
<b>Year ended March 31, 2025</b>										
<b>I. Gross carrying amount</b>										
Opening gross carrying amount	0.05	21.28	136.88	3.20	4.33	5.71	0.77	*	172.22	-
Additions	-	0.31	6.13	0.13	0.05	0.77	0.53	-	7.92	0.44
Disposals	-	-	(3.91)	-	(0.22)	-	-	-	(4.13)	-
<b>Closing gross carrying amount</b>	<b>0.05</b>	<b>21.59</b>	<b>139.10</b>	<b>3.33</b>	<b>4.16</b>	<b>6.48</b>	<b>1.30</b>	<b>*</b>	<b>176.01</b>	<b>0.44</b>
<b>II. Accumulated depreciation</b>										
Opening accumulated depreciation	-	3.79	80.45	1.72	1.66	4.48	0.35	*	92.45	-
Depreciation charge during the year (Refer Note 33)	-	0.85	10.56	0.20	0.41	0.41	0.57	-	13.00	-
Disposals	-	-	(3.87)	-	(0.20)	-	-	-	(4.07)	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>4.64</b>	<b>87.14</b>	<b>1.92</b>	<b>1.87</b>	<b>4.89</b>	<b>0.92</b>	<b>*</b>	<b>101.38</b>	<b>-</b>
<b>III. Net carrying amount (I - II)</b>	<b>0.05</b>	<b>16.95</b>	<b>51.96</b>	<b>1.41</b>	<b>2.29</b>	<b>1.59</b>	<b>0.38</b>	<b>*</b>	<b>74.63</b>	<b>0.44</b>
<b>Year ended March 31, 2026</b>										
<b>I. Gross carrying amount</b>										
Opening gross carrying amount	0.05	21.59	139.10	3.33	4.16	6.48	1.30	*	176.01	0.44
Additions	-	0.08	12.26	0.12	-	0.24	2.01	-	14.71	9.88
Disposals	-	(0.03)	(1.25)	-	(0.75)	(0.01)	(0.50)	-	(2.54)	(0.44)
<b>Closing gross carrying amount</b>	<b>0.05</b>	<b>21.64</b>	<b>150.11</b>	<b>3.45</b>	<b>3.41</b>	<b>6.71</b>	<b>2.81</b>	<b>*</b>	<b>188.18</b>	<b>9.88</b>
<b>II. Accumulated depreciation</b>										
Opening accumulated depreciation	-	4.64	87.14	1.92	1.87	4.89	0.92	*	101.38	-
Depreciation charge during the year (Refer Note 33)	-	0.87	10.61	0.19	0.34	0.35	0.66	-	13.02	-
Disposals	-	-	(0.90)	-	(0.25)	*	(0.44)	-	(1.59)	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>5.51</b>	<b>96.85</b>	<b>2.11</b>	<b>1.96</b>	<b>5.24</b>	<b>1.14</b>	<b>*</b>	<b>112.81</b>	<b>-</b>
<b>III. Net carrying amount (I - II)</b>	<b>0.05</b>	<b>16.13</b>	<b>53.26</b>	<b>1.34</b>	<b>1.45</b>	<b>1.47</b>	<b>1.67</b>	<b>*</b>	<b>75.37</b>	<b>9.88</b>

**Notes:**

- (i) Refer Note 48(a) for information on property, plant and equipment pledged as security by the Company.
  - (ii) Refer Notes 20, 24 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 favor of the lessee) are held in the name of the Company (Also Refer Notes 3(b) and 4).
  - (iv) The Company has not capitalized any borrowing cost in the current and previous year.
- \* Amount is below the rounding off norm adopted by the Company.



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)  
 (All amounts in ₹ Crores, unless otherwise stated)

**Aging of Capital work-in-progress (CWIP):**

Particulars	Amounts in capital work-in-progress for period of				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
<b>Year ended March 31, 2026</b>					
(i) Projects in progress	9.88	-	-	-	9.88
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>9.88</b>	-	-	-	<b>9.88</b>
<b>Year ended March 31, 2025</b>					
(i) Projects in progress	0.44	-	-	-	0.44
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>0.44</b>	-	-	-	<b>0.44</b>

**Notes:**

- (i) As at March 31, 2026 and as at March 31, 2025, there are no projects whose completion is overdue or has exceeded its cost compared to its original plan.
- (ii) Capital work-in-progress for the year mainly comprises of plant and machinery and factory building.

**Note 3(b) - Leases**

**(i) Right-of-Use Assets**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>I. Gross carrying amount - Buildings</b>		
Opening gross carrying amount	2.72	0.85
Additions	1.51	2.05
Disposal	-	(0.18)
<b>Closing gross carrying amount</b>	<b>4.23</b>	<b>2.72</b>
<b>II. Accumulated depreciation - Buildings</b>		
Opening accumulated depreciation	0.98	0.43
Depreciation charge during the year (Refer Note 33)	1.08	0.62
Disposal	-	(0.07)
<b>Closing accumulated depreciation</b>	<b>2.06</b>	<b>0.98</b>
<b>III. Net carrying amount (I - II)</b>	<b>2.17</b>	<b>1.74</b>

**(ii) Lease Liabilities**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Lease Liabilities</b>		
Current	1.59	0.86
Non-current	0.80	0.98
<b>Total</b>	<b>2.39</b>	<b>1.84</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

**(iii) Amounts recognized in the Standalone Statement of Profit and Loss**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation of right-of-use assets - Buildings (Refer Note 33)	1.08	0.62
Interest expense (included in finance costs) (Refer Note 32)	0.29	0.15
Expense relating to short-term leases (included in other expenses) (Refer Note 34)	0.12	0.22
<b>Total</b>	<b>1.49</b>	<b>0.99</b>

**(iv) Non-cash investing activities during the year**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Acquisition of right-of-use assets	1.51	2.05
Disposal of right-of-use assets	-	(0.11)
<b>Total</b>	<b>1.51</b>	<b>1.94</b>

**(v)** The maturity analysis of lease liabilities are disclosed in Note 39(A)(ii).**(vi)** The weighted average incremental borrowing rate applied to lease liabilities is 14% p.a.**(vii)** The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.**(viii)** The total cash outflow for leases for the year ended March 31, 2026 was ₹ 1.37 (March 31, 2025: ₹ 0.71) (including short term lease payments).**Note 4 - Investment Properties**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>I. Gross carrying amount</b>		
Opening gross carrying amount	2.73	2.73
Additions	-	-
<b>Closing gross carrying amount</b>	<b>2.73</b>	<b>2.73</b>
<b>II. Accumulated depreciation</b>		
Opening accumulated depreciation	0.73	0.64
Depreciation charge during the year (Refer Note 33)	0.09	0.09
<b>Closing accumulated depreciation</b>	<b>0.82</b>	<b>0.73</b>
<b>III. Net carrying amount (I - II)</b>	<b>1.91</b>	<b>2.00</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

(i) Investment properties consist of buildings and leasehold land.

**(ii) Amounts recognized in the Standalone Statement of Profit and Loss for investment properties:**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Income from investment properties (Refer note 28)	9.62	9.78
Direct operating expenses towards income from investment properties that generated income	(5.87)	(6.01)
<b>Profit from investment properties before depreciation</b>	<b>3.75</b>	<b>3.77</b>
Depreciation (Refer Note 33)	(0.09)	(0.09)
<b>Profit from investment properties</b>	<b>3.66</b>	<b>3.68</b>

**(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, 2026	As at March 31, 2025
Within one year	1.90	2.91
Later than one year but not later than five years	2.54	4.44
<b>Total</b>	<b>4.44</b>	<b>7.35</b>

**(b) Finance leases**

Investment properties include land portions taken on lease by the Company for a period upto 99 years. 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, 2026	As at March 31, 2025
Investment properties	74.98	74.58

**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 Lakhs (March 31, 2025: ₹ 0.08 Lakhs).



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

(All amounts in ₹ Crores, unless otherwise stated)

**Note 5 - Intangible assets**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>I. Gross carrying amount</b>		
Opening gross carrying amount	13.64	9.92
Additions	2.20	3.72
<b>Closing gross carrying amount</b>	<b>15.84</b>	<b>13.64</b>
<b>II. Accumulated amortization</b>		
Opening accumulated amortization	7.92	6.60
Amortization during the year (Refer Note 33)	2.44	1.32
<b>Closing accumulated amortization</b>	<b>10.36</b>	<b>7.92</b>
<b>III. Net carrying amount (I - II)</b>	<b>5.48</b>	<b>5.72</b>

**Notes:**

- (i) The computer softwares are other than internally generated.
- (ii) The remaining useful life of intangible assets ranges from 1 to 3 years as at the year end.

**Note 6 - Non-current investments**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>(A) Investment in equity instruments (fully paid)</b>		
<b>(a) Subsidiaries - Measured at cost</b>		
<b>Unquoted</b>		
2,72,800 (March 31, 2025: 2,72,800) equity shares of ₹ 100/- each of Mafatlal Services Limited [Gross (-) impairment of ₹ 2.45 (March 31, 2025: ₹ 2.45)]	0.28	0.28
60,00,000 (March 31, 2025: 60,00,000) equity shares of ₹ 1/- each of Pieflowtech Solutions Private Limited	0.60	0.60
51,00,000 (March 31, 2025: NIL) equity shares of ₹ 1/- each of Mafatlal Apparel Exports Private Limited	0.51	-
<b>Total (I)</b>	<b>1.39</b>	<b>0.88</b>
<b>(b) Other Companies measured at FVOCI</b>		
<b>Quoted</b>		
79,920 (March 31, 2025: 79,920) equity shares of ₹ 10/- each of Stanrose Mafatlal Investments and Finance Limited	0.50	0.48
2,52,59,059 (March 31, 2025: 2,52,59,059) equity shares of ₹ 10/- each of NOCIL Limited \$\$	387.98	441.78
<b>Unquoted</b>		
1,600 (March 31, 2025: 1,600) equity shares of ₹ 10/- each of Hybrid Financial Services Limited \$**	@	@
116 (March 31, 2025: 116) equity shares of ₹ 10/- each of Anil Bioplus Limited	@	@
12,40,000 (March 31, 2025: 12,40,000) equity shares of ₹ 10/- each of Mafatlal Global Apparel Limited	@	@
2,320 (March 31, 2025: 2,320) equity shares of ₹ 10/- each of Anil Limited @@	@	@


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

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
100 (March 31, 2025: 100) equity shares of ₹ 10/- each of Arlabs Limited	@	@
15,000 (March 31, 2025: 15,000) equity shares of ₹ 10/- each of Cellulose Products of India Limited##	@	@
10 (March 31, 2025: 10) equity shares of ₹ 25/- each of Universal Dyestuff Industries Limited@@	@	@
5,870 (March 31, 2025: 5,870) equity shares of ₹ 100/- each of SLM Maneklal Industries Limited**	@	@
30,000 (March 31, 2025: 30,000) equity shares of ₹ 10/- each of Mafatlal Medical Devices Limited@@@	@	@
92,500 (March 31, 2025: 92,500) equity shares of ₹ 100/- each of Janata Sahakari Bank Limited###	0.93	0.93
50,000 (March 31, 2025: 250) equity shares of ₹ 10/- each of SVC Bank Limited###	0.05	@
5 (March 31, 2025: 5) Shares of ₹ 50/- each of Sea - Face Park Co-op Housing Society Limited	@	@
26,16,670 (March 31, 2025: 26,16,670) equity shares of ₹ 10/- each of Ibiza Industries Limited***@@	@	@
39,76,002 (March 31, 2025: 39,76,002) equity shares of ₹ 10/- each of Sunanda Industries Limited*@@	@	@
1,46,364 (March 31, 2025: 1,46,364) equity shares of ₹ 100/- each of Mafatlal Engineering Industries Limited##	@	@
147 (March 31, 2025: 147) equity shares of AED 1,000/- each of Al Fahim Mafatlal Textiles LLC##	@	@
NIL (March 31, 2025: 17,500) equity shares of ₹ 100/- each of The Cosmos Co-Operative Bank Limited###	-	0.17
<b>(B) Investments in Government securities</b>		
<b>Unquoted - At amortized cost</b>		
Government securities [Face value of ₹ 0.03 (March 31, 2025: ₹ 0.03)] have been lodged with various authorities**	0.03	0.03
<b>(C) Investment in debentures and bonds</b>		
<b>Unquoted - At amortized cost</b>		
1,65,000 (March 31, 2025: 1,65,000) 10% Secured Redeemable Convertible Debentures of Mafatlal Engineering Industries Ltd.##	@	@
2,050 (March 31, 2025: 2,050) Corporate Bonds of Housing Development Finance Corporation Limited: 11% - Series IV#	@	@
<b>Total (II)</b>	<b>389.49</b>	<b>443.39</b>
<b>Total (I)+(II)</b>	<b>390.88</b>	<b>444.27</b>

§ Not held in the name of the Company since acquired on Amalgamation.

§\$ 60,69,484 (March 31, 2025: 47,24,454) 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. 17,96,002 equity shares (March 31, 2025: 17,96,002 equity shares) were not available for verification.

\*\* Not available for physical verification.

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

(All amounts in ₹ Crores, unless otherwise stated)

\*\*\* 13,50,000 (March 31, 2025: 13,50,000) equity shares of Ibiza Industries Limited have been pledged for loans / deposit taken by the Company / other companies. 9,50,000 (March 31, 2025: 9,50,000) equity shares not available for physical verification / confirmation not available; currently under liquidation.

# 2,050 (March 31, 2025: 2,050) 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, 2026	As at March 31, 2025
<b>Total Non-current investments</b>		
Aggregate amount of quoted investments and market value thereof	388.48	442.26
Aggregate amount of unquoted investments	2.40	2.01
<b>Total</b>	<b>390.88</b>	<b>444.27</b>

**Note 7 - Non-current - Other financial assets**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Unsecured, considered good</b>		
Security deposits	3.08	3.13
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	9.27	0.91
(ii) Other term deposits	-	0.87
Others	*	*
<b>Total</b>	<b>12.35</b>	<b>4.91</b>

**Note:** There are no financial assets as on March 31, 2026 and March 31, 2025 which have significant increase in credit risk or which are credit impaired.

**Note 8 - Non-current - Other assets**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Unsecured, considered good</b>		
Capital advances	0.52	0.43
Deposits with government authorities	1.46	1.46
<b>Total</b>	<b>1.98</b>	<b>1.89</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

**Note 9 - Inventories**

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials	0.61	0.40
Work-in-progress	29.12	30.17
Finished goods	15.48	18.81
Stock-in-trade	35.01	43.95
Stock-in-trade in transit	20.16	-
Packing Material	1.39	1.06
Stores and spares	3.83	2.89
Others (Land) [Refer Note 50(ii)]	0.01	0.01
<b>Total</b>	<b>105.61</b>	<b>97.29</b>

Amounts recognized in the Standalone Statement of Profit and Loss:

Inventory write downs are accounted, considering the nature of inventory, aging and net realizable value. Write down of inventories amounted to ₹ 7.00 (March 31, 2025: Write down of ₹ 7.99) were recognized as an expense during the year and included in 'changes in value of inventories of finished goods, work-in-progress and stock-in-trade' in the Standalone Statement of Profit and Loss.

**Note 10 - Trade receivables**

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables from contract with customers - billed	751.72	509.28
Trade receivables from contract with customers - related parties [Refer Note 42(II)(C)]	0.32	0.32
Less: Loss Allowance [Refer Note 39 (C)]	(41.21)	(29.42)
<b>Total</b>	<b>710.83</b>	<b>480.18</b>
Current	710.39	479.38
Non-current	0.44	0.80

**Break up of security details**

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	742.88	501.72
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	9.16	7.88
<b>Total</b>	<b>752.04</b>	<b>509.60</b>
Loss allowance [Refer Note 39 (C)]	(41.21)	(29.42)
<b>Total</b>	<b>710.83</b>	<b>480.18</b>

<sup>^</sup>The receivable is 'unbilled' because the Company has not yet issued an invoice, however, the balance has been included under trade receivables (as opposed to contract assets) because it is an unconditional right to consideration.

\* Amount is below the rounding off norm adopted by the Company.



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

(All amounts in ₹ Crores, unless otherwise stated)

**Aging of Trade receivables as at March 31, 2026**

Particulars	Unbilled	Not due	Outstanding for following periods from the due date					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	-	438.64	128.83	80.63	62.97	24.59	7.22	742.88
(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	-	-	-	-	0.53	1.93	6.70	9.16
<b>Total</b>	-	<b>438.64</b>	<b>128.83</b>	<b>80.63</b>	<b>63.50</b>	<b>26.52</b>	<b>13.92</b>	<b>752.04</b>
Loss allowance on trade receivables								(41.21)
<b>Total</b>								<b>710.83</b>

**Aging of Trade receivables as at March 31, 2025**

Particulars	Unbilled	Not due	Outstanding for following periods from the due date					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	-	135.04	148.01	166.87	37.19	4.34	4.63	496.08
(ii) which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) credit impaired	-	-	-	-	-	-	-	-
(B) Disputed trade receivables								-
(i) considered good	-	-	-	-	-	-	5.64	5.64
(ii) which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) credit impaired	-	-	-	-	-	-	7.88	7.88
<b>Total</b>	-	<b>135.04</b>	<b>148.01</b>	<b>166.87</b>	<b>37.19</b>	<b>4.34</b>	<b>18.15</b>	<b>509.60</b>
Loss allowance on trade receivables								(29.42)
<b>Total</b>								<b>480.18</b>

Refer Note 39 for information about credit risk and market risk for trade receivables.

**Note 11 - Cash and cash equivalents**

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on hand	0.02	0.03
Balances with banks:		
(i) In Current accounts	49.64	4.29
(ii) In Deposit accounts with original maturity of less than 3 months	74.07	46.85
<b>Total</b>	<b>123.73</b>	<b>51.17</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

**Note 12 - Other bank balances**

Particulars	As at March 31, 2026	As at March 31, 2025
Term deposits with remaining maturity of less than 12 months:		
(i) Deposits held as margin money or security against borrowings, guarantees and other commitments	126.94	105.04
(ii) Other term deposits	7.24	5.85
In earmarked accounts:		
(i) Unclaimed dividend accounts	0.28	0.10
(ii) Balances in Escrow Current accounts (Refer Note below)	0.02	0.02
<b>Total</b>	<b>134.48</b>	<b>111.01</b>

**Note:**

Balance in Escrow Current account of ₹ 0.02 (March 31, 2025: ₹ 0.02) is operated under the supervision of the Monitoring Committee constituted by the Government of Maharashtra, under Development Control Regulations, 1991.

**Note 13 - Current loans**

Particulars	As at March 31, 2026	As at March 31, 2025
Loans to employees	0.50	0.01
<b>Total</b>	<b>0.50</b>	<b>0.01</b>

**Notes:**

- (i) There are no loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties.
- (ii) There are no loans as at March 31, 2026 and March 31, 2025 which have significant increase in credit risk or which are credit impaired.

**Note 14 - Current - Other financial assets**

Particulars	As at March 31, 2026	As at March 31, 2025
<i>Unsecured, considered good unless otherwise stated</i>		
Security deposits		
Considered good	9.58	8.56
Considered doubtful	2.28	2.64
	<b>11.86</b>	<b>11.20</b>
Less: Loss allowance on deposits [Refer Note 39 (C)]	(2.28)	(2.64)
	<b>9.58</b>	<b>8.56</b>
Export incentives / Government grant receivable	0.67	1.28
Other receivables	0.18	0.18
<b>Total</b>	<b>10.43</b>	<b>10.02</b>

**Note:** There are no financial assets as at March 31, 2026 and March 31, 2025 which have significant increase in credit risk or which are credit impaired.



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

(All amounts in ₹ Crores, unless otherwise stated)

**Note 15 - Current - Other assets**

Particulars	As at	
	March 31, 2026	March 31, 2025
<i>Unsecured, considered good</i>		
Prepaid expenses	1.61	1.13
Balances with government authorities	17.38	16.37
Advance to suppliers	30.92	7.98
<b>Total</b>	<b>49.91</b>	<b>25.48</b>

**Note 16 - Equity share capital**

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
<b>(i) Authorized</b>				
Equity shares of ₹ 2/- each (March 31, 2025: ₹ 2/- each) with voting rights	35,00,00,000	70.00	35,00,00,000	70.00
Preference shares of ₹ 10/- each	3,00,00,000	30.00	3,00,00,000	30.00
<b>(ii) Issued</b>				
Equity shares of ₹ 2/- each (March 31, 2025: ₹ 2/- each) with voting rights	7,21,63,930	14.43	7,19,10,430	14.38
<b>(iii) Subscribed and fully paid up</b>				
Equity shares of ₹ 2/- each (March 31, 2025: ₹ 2/- each) with voting rights	7,21,63,930	14.43	7,19,10,430	14.38
Less: Allotment money / Calls in arrears	-	*	-	*
<b>Total</b>	<b>7,21,63,930</b>	<b>14.43</b>	<b>7,19,10,430</b>	<b>14.38</b>

**(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, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
<b>Equity Shares:</b>				
<b>Balance as at the beginning of the year</b>	<b>7,19,10,430</b>	<b>14.38</b>	<b>7,15,02,930</b>	<b>14.30</b>
Add: Shares issued during the year [see note 16(5)(ii) below]	2,53,500	0.05	4,07,500	0.08
<b>Outstanding at the end of the year</b>	<b>7,21,63,930</b>	<b>14.43</b>	<b>7,19,10,430</b>	<b>14.38</b>

**(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, 2025: ₹ 2/- 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.

\*Amount is below the rounding off norm adopted by the Company.

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

(All amounts in ₹ Crores, unless otherwise stated)

**(3) Details of shareholders holding more than 5% of the aggregate shares in the Company:**

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	% Holding	Number of shares	% Holding
<b>Equity Shares:</b>				
H. A. Mafatlal as a Trustee of Narsingha Trust	79,44,997	11.01%	78,09,552	10.86%
NOCIL Limited	97,73,475	13.54%	97,73,475	13.59%
Sumil Trading Private Limited	2,70,91,630	37.54%	2,70,91,630	37.67%

**(4) Details of shareholding of promoters:**

Name of the Promoter	As at March 31, 2026			As at March 31, 2025		
	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
<b>Equity Shares:</b>						
Rekha H. Mafatlal	500	*	-	500	*	-
H. A. Mafatlal as a Trustee of Gurukripa Trust	500	*	-	500	*	-
H. A. Mafatlal as a Trustee of Karuna Trust	34,58,301	4.79%	2%	33,90,576	4.71%	-
H. A. Mafatlal as a Trustee of Narsingha Trust	79,44,997	11.01%	2%	78,09,552	10.86%	-
Rekha H. Mafatlal as a Trustee of Radha Raman Trust	500	*	-	500	*	-
Aarti M. Chadha	7,45,900	1.03%	-	7,45,900	1.04%	-
H. A. Mafatlal as a Trustee of Shrija Trust	500	*	-	500	*	-
H. A. Mafatlal	6,992	0.01%	-	6,992	0.01%	-
Anjali K. Agarwal	8,87,150	1.23%	-	8,87,150	1.23%	-
P.H. Mafatlal	500	*	-	500	*	-
KSJ Trading Private Limited	1,11,525	0.15%	-	1,11,525	0.16%	-
NOCIL Limited	97,73,475	13.54%	-	97,73,475	13.59%	-
Sumil Trading Private Limited	2,70,91,630	37.54%	-	2,70,91,630	37.67%	-
Shri H. A. Mafatlal Public Charitable Trust No 1	-	-	(100.00%)	1,20,640	0.17%	-
Seth Navinchandra Mafatlal Foundation Trust No 1	-	-	(100.00%)	82,530	0.11%	-
	<b>5,00,22,470</b>	<b>69.32%</b>		<b>5,00,22,470</b>	<b>69.56%</b>	

\*% of total number of shares below the rounding off norm adopted by the Company.

\*Amount is below the rounding off norm adopted by the Company.

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

(All amounts in ₹ Crores, 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 share option scheme, including details of options issued, exercised and lapsed 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, 2026	As at March 31, 2025
Calls unpaid	*	*

(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.

**Note 17 - Reserves and surplus**

Particulars	As at March 31, 2026	As at March 31, 2025
Securities Premium	115.60	114.28
Retained Earnings	263.57	188.35
General Reserve	6.20	6.20
Capital Investment Reserve	0.76	0.76
Investment Reserve	0.02	0.02
Share - Based Payments Reserve	1.94	2.42
Export Profit Reserve	0.20	0.20
<b>Other Reserves:</b>		
FVOCI - Equity Instruments	370.23	414.76
<b>Total</b>	<b>758.52</b>	<b>726.99</b>

**(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, 2026	As at March 31, 2025
Balance at the beginning of the year	114.28	181.48
Movement during the year	1.32	1.92
Accounting effect of NCLT order [Refer Note 49(b)]	-	(69.12)
<b>Balance at the end of the year</b>	<b>115.60</b>	<b>114.28</b>

\* Amount is below the rounding off norm adopted by the Company.


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

(All amounts in ₹ Crores, unless otherwise stated)

**(ii) Retained Earnings**

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	188.35	(92.51)
Profit for the year	91.07	98.14
Transfer of realized gain on FVOCI Equity Instruments to Retained Earnings	-	0.10
Accounting effect of NCLT order [Refer Note 49(b)]	-	190.25
Transfer from Share-based payments reserve due to forfeiture and lapse of options	0.46	0.37
Dividend paid during the year [Refer Note 17(a)]	(16.20)	(7.19)
Other comprehensive income	(0.11)	(0.81)
<b>Balance at the end of the year</b>	<b>263.57</b>	<b>188.35</b>

**(iii) General Reserve**

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	6.20	6.20
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>6.20</b>	<b>6.20</b>

**(iv) Capital Reserve No. 1**

Capital reserve is to be utilized in accordance with the provisions of the Act.

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	-	0.61
Movement during the year	-	-
Accounting effect of NCLT order [Refer Note 49(b)]	-	(0.61)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

**(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, 2026	As at March 31, 2025
Balance at the beginning of the year	-	0.35
Movement during the year	-	-
Accounting effect of NCLT order [Refer Note 49(b)]	-	(0.35)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

**(vi) Capital Reserve on Amalgamation**

The said reserve has arisen out of amalgamation with Mafatlal Denim Limited

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	-	36.34
Movement during the year	-	-
Accounting effect of NCLT order [Refer Note 49(b)]	-	(36.34)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

**(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, 2026	As at March 31, 2025
Balance at the beginning of the year	-	83.83
Movement during the year	-	-
Accounting effect of NCLT order [Refer Note 49(b)]	-	(83.83)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

**(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, 2026	As at March 31, 2025
Balance at the beginning of the year	0.76	0.76
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>0.76</b>	<b>0.76</b>

**(ix) Investment Reserve**

The said reserve has arisen on account of amalgamation with Mafatlal Gagalbhai and Company Private Limited.

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	0.02	0.02
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>0.02</b>	<b>0.02</b>

**(x) Share-Based Payments Reserve**

The said reserve has arisen on account of equity share option scheme announced by the Company.

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	2.42	1.33
Employee share-based payment expense [Refer Note 38(f)]	0.37	2.01
Transfer from Share-based payments reserve due to forfeiture and lapse of options	(0.46)	(0.37)
Employee share options exercised during the year	(0.39)	(0.55)
<b>Balance at the end of the year</b>	<b>1.94</b>	<b>2.42</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

**(xi) Export Profit Reserve**

The said reserve has arisen due to amalgamation with Mafatlal Fine Spinning and Manufacturing Company Limited.

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	0.20	0.20
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>0.20</b>	<b>0.20</b>

**(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, 2026	As at March 31, 2025
Balance at the beginning of the year	414.76	581.65
Change in fair value of FVOCI equity instruments	(44.53)	(166.79)
Transfer of gain on FVOCI equity instruments to Retained Earnings	-	(0.10)
<b>Balance at the end of the year</b>	<b>370.23</b>	<b>414.76</b>

**Note 17(a) - Dividend distribution made and proposed**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Dividend on equity shares declared and paid:</b>		
Final dividend for the year ended March 31, 2025: ₹ 1/- per share of face value of ₹ 2/- each (March 31, 2024: NIL)	7.19	-
Interim dividend for the year ended March 31, 2026: ₹ 1.25/- per share of face value of ₹ 2/- each (March 31, 2025: ₹ 1/- per share of face value of ₹ 2/- each)	9.01	7.19
<b>Proposed dividend on equity shares:</b>		
Proposed dividend for the year ended March 31, 2026: ₹ 1.25/- per share of face value of ₹ 2/- each (March 31, 2025: ₹ 1/- per share of face value of ₹ 2/- each) (Refer Note below)	9.01	7.19

**Note:** Proposed dividend recommended by the Board of Directors on equity shares are subject to approval of shareholders in the ensuing Annual General Meeting and are not recognized as a liability as at the balance sheet date.

**Note 18 - Non-current borrowings**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Secured</b>		
<b>Term Loans</b>		
(a) From Banks [Refer Note no.(i), (ii), (iii), (v) and (vi) below]	28.22	21.90
(b) For vehicle loans [Refer Note no.(iv) below]	0.13	0.64



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

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Unsecured</b>		
<b>Term Loans</b>		
(a) From Banks [Refer Note no.(vii)]	4.77	-
<b>Total</b>	<b>33.12</b>	<b>22.54</b>

(i) Term loan from a Bank, amounting to ₹ NIL (March 31, 2025: ₹ 3.90).	Repayable in 60 monthly installments beginning from April 2021 till March 2026. The rate of interest during the year was in the range of 9.40% p.a. to 10.00% p.a. (March 31, 2025: 10.00% p.a. to 10.25% p.a).
(ii) Term loan from a Bank, amounting to ₹ NIL (March 31, 2025: ₹ 4.36).	Repayable in 32 monthly installments beginning from October 2023 paid till March 2026. The rate of interest for the year was in the range of 9.40% p.a. to 10.00% p.a (March 31, 2025: 10.00% p.a. to 10.25% p.a).
(iii) Term loan from a Bank, amounting to ₹ 15.29 (March 31, 2025: ₹ 17.84).	Repayable in 84 monthly installments beginning from April 2024 till March 2031. The rate of interest for the year was in the range of 9.40% p.a. to 10.00% p.a. (March 31, 2025: 10.00% p.a. to 10.25% p.a).
- All the above term loans are secured by mortgage of an immovable asset - buildings measuring 7,635 sq. ft. (March 31, 2025: 14,670 sq. ft.) of Mafatlal House at Mumbai.	
(iv) Loans from a Bank, amounting to ₹ 0.48 (March 31, 2025: ₹ 1.06) for vehicles, secured by hypothecation of respective vehicles.	Repayable in monthly installments and the rate of interest for the year was in the range of 9.05 % p.a. to 9.95 % p.a. (March 31, 2025: 8.75 % p.a. to 10.15 % p.a).
(v) Term loan from a Bank, amounting to ₹ 5.56 (March 31, 2025: ₹ 2.29) is secured by a charge on the plant and machinery acquired out of the said loan and a pari passu charge on the Land and Building of the Company at Nadiad measuring 3,66,392 sq. mtr (March 31, 2025: 3,66,392 sq.mtr)	Repayable in 72 monthly installments beginning from April 2025 till March 2031 (with moratorium of 1 year). The rate of interest during the year was in the range of 9.00% p.a. to 10.00% p.a. (March 31, 2025: 9.85% p.a. to 10.10% p.a).
(vi) Term loan from a Bank, amounting to ₹ 13.06 (March 31, 2025: ₹ 6.20) is secured by pari passu charge on Land and Building of the Company at Nadiad measuring 3,66,392 sq. mtr (March 31, 2025: 3,66,392 sq. mtr)	Repayable in 84 monthly installments beginning from April 2025 till March 2032. The rate of interest during the year was in the range of 9.40% p.a. to 10.00% p.a. (March 31, 2025: 10.00% p.a).
(vii) Term loan from a Bank, amounting to ₹ 5.25 (March 31, 2025: ₹ NIL) is unsecured.	Repayable in 22 quarterly installments beginning from October 2026 till January 2032 (with moratorium of 6 months). The rate of interest for the year was 7.75% p.a. (March 31, 2025: NIL)

The amounts mentioned include installments falling due within a year aggregating to ₹ 6.52 (March 31, 2025: ₹ 13.11) which have been grouped under "Current Borrowings" [Refer Note 21].

For Liquidity risk information, refer Note 39.



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

(All amounts in ₹ Crores, unless otherwise stated)

**Note 19 - Non-current - Other financial liabilities**

Particulars	As at March 31, 2026	As at March 31, 2025
Trade / Security deposits	4.03	3.97
Advances received against legal matters (Refer Note below)	6.98	6.98
Interest accrued and not due on advance received against legal matters [Refer Note 50(i)]	2.84	2.84
<b>Total</b>	<b>13.85</b>	<b>13.79</b>

Note: Out of the above, for advances of ₹ 5.78 (March 31, 2025: ₹ 5.78), refer note 50(i).

**Note 20a - Non-current - Other liabilities**

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred income on Government Grant (Refer Note 47)	0.78	-
Contract liabilities - Unearned revenue	0.65	1.49
<b>Total</b>	<b>1.43</b>	<b>1.49</b>

**Note 20b - Non-current - Provision**

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Employee Benefits:		
(i) Provident Fund	0.43	-
<b>Total</b>	<b>0.43</b>	<b>-</b>

**Note 21 - Current borrowings**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Secured</b>		
<b>From Banks</b>		
Working Capital loans*	-	6.99
Current loans against properties **	17.90	25.62
Current maturities of long-term debt (Refer Note 18)		
(i) From Banks	5.69	12.69
(ii) For vehicle loans	0.35	0.42
Interest accrued but not due on borrowings	0.23	0.03
<b>Unsecured</b>		
<b>From Banks</b>		
Working Capital loans***	3.00	-
Current maturities of long-term debt (Refer Note 18)		
(i) From Banks	0.48	-
<b>Total</b>	<b>27.65</b>	<b>45.75</b>

\*\*Current loans against properties from a bank aggregating to ₹ 6.89 (March 31, 2025: ₹ 10.25) is secured by pari-passu charge on Land and Building of the Company at Nadiad measuring 3,66,392 sq. mtr (March 31, 2025: 3,66,392 sq. mtr) and charge on certain stocks and book debts, both present and future of the Company which is repayable on demand and carrying an interest in the range of 9.00% p.a. to 10.00% p.a. (March 31, 2025: 10.00% p.a. to 10.75% p.a).



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

(All amounts in ₹ Crores, unless otherwise stated)

\*\*Current loans against properties from a bank aggregating to ₹ 11.01 (March 31, 2025: ₹ 15.37) is secured by pari-passu charge on Land and Building of the Company at Nadiad measuring 3,66,392 sq. mtr (March 31, 2025: 3,66,392 sq. mtr) which is repayable on demand and carry an interest in the range of 9.40% p.a. to 10.00% p.a. (March 31, 2025: 10.00% p.a. to 10.25% p.a).

\*Working Capital loans from banks aggregating to ₹ NIL (March 31, 2025: ₹ 6.99) are secured by first pari-passu charge on certain stocks and book debts, both present and future, of the Company, charge on certain property, pledge of 60,69,584 (March 31, 2025: 47,24,454) equity shares of NOCIL Limited held by the Company. The working capital loans were repayable on demand and carry an interest in the range of 8.55% p.a. to 10.00% p.a. (March 31, 2025: 9.65% p.a. to 10.25% p.a).

\*\*\*Working Capital loan from bank aggregating to ₹ 3.00 (March 31, 2025: ₹ NIL) is unsecured.

For Liquidity risk information, refer Note 39.

Refer Note 48(b) for net debt reconciliation.

**Note 22 - Trade payables**

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises	11.49	9.12
Total outstanding dues of creditors other than micro enterprises and small enterprises	702.44	433.94
Trade Payables to related parties [Refer Note 42(II)(C)]	0.28	0.30
<b>Total</b>	<b>714.21</b>	<b>443.36</b>

**Aging of Trade Payables as at March 31, 2026**

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	5.31	2.20	3.98	-	-	-	11.49
(ii) Others	57.18	24.01	565.56	44.61	4.74	6.62	702.72
(B) Disputed trade payables							
(i) Micro enterprises and small enterprises	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
<b>Total</b>	<b>62.49</b>	<b>26.21</b>	<b>569.54</b>	<b>44.61</b>	<b>4.74</b>	<b>6.62</b>	<b>714.21</b>

**Aging of Trade Payables as at March 31, 2025**

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	4.75	3.54	0.83	-	-	-	9.12
(ii) Others	69.75	119.65	176.85	58.38	6.14	3.47	434.24



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

(All amounts in ₹ Crores, unless otherwise stated)

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	
(B) Disputed trade payables							
(i) Micro enterprises and small enterprises							-
(ii) Others	-	-	-	-	-	-	-
<b>Total</b>	<b>74.50</b>	<b>123.19</b>	<b>177.68</b>	<b>58.38</b>	<b>6.14</b>	<b>3.47</b>	<b>443.36</b>

**Note:** For Liquidity risk information, Refer Note 39.

**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, 2026	As at March 31, 2025
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	6.18	4.37
Interest due thereon to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.16	0.04
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	8.39	7.34
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	0.44	-
Interest accrued and remaining unpaid at the end of each accounting year	0.60	-
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	5.31	4.71

**Note 23 - Current - Other financial liabilities**

Particulars	As at March 31, 2026	As at March 31, 2025
Unclaimed dividends (refer Note below)	0.28	0.10
Capital creditors	3.85	0.28
Trade Deposits	145.55	89.33
Employee benefits payable	4.71	8.80
<b>Total</b>	<b>154.39</b>	<b>98.51</b>

**Note:** There are no amounts due for payment to the Investor Education and Protection Fund as at the year end.



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

(All amounts in ₹ Crores, unless otherwise stated)

**Note 24 - Current - Other liabilities**

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory dues payable	3.26	2.58
Contract liabilities		
(i) Advance from customers	7.77	4.73
(ii) Unearned revenue	0.83	0.86
Deferred income on Government Grant (Refer Note 47)	0.11	0.41
Refund liabilities [Refer Note 26(a) below]	4.35	2.80
Others	0.54	0.50
<b>Total</b>	<b>16.86</b>	<b>11.88</b>

**Note 25 - Current provisions**

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Employee Benefits:		
(i) Provision for Compensated absences (Refer Note 41)	5.98	5.52
(ii) Provision for Gratuity (Refer Note 41)	6.73	4.16
<b>Total</b>	<b>12.71</b>	<b>9.68</b>

**Note 26 - Revenue recognized in relation to contract liabilities**

Particulars	As at March 31, 2026	As at March 31, 2025
Revenue recognized that was included in contract liabilities at the beginning of the year (Refer Note 24 - Advance from Customer)	2.31	17.84

**Note:** There has been no significant change in contract liabilities.**Note 26(a): Refund liabilities include:**

- (i) Customer refund liabilities for discount payable to customers of ₹ 0.30 (March 2025: ₹ 0.30)
- (ii) Liquidated damages provided on contractual terms when delivery have exceeded or are likely to exceed the delivery terms of ₹ 4.05 (March 2025: ₹ 2.50)

**Note 27 - Revenue from operations**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Revenue from contract with customers</b>		
Sale of Products	3,792.85	2,707.00
Sale of Services	50.68	93.32
<b>Total Revenue from contract with customers (A)</b>	<b>3,843.53</b>	<b>2,800.32</b>
<b>Other operating revenue</b>		
Income from waste / scrap sale	1.26	1.59
Processing income	24.42	4.06
Duty drawback and other export incentives	1.23	1.26
<b>Total Other operating revenue (B)</b>	<b>26.91</b>	<b>6.91</b>
<b>Total Revenue [(A) + (B)]</b>	<b>3,870.44</b>	<b>2,807.23</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

- (i) The unsatisfied performance obligations from long-term contracts with customers are based on time incurred. As permitted under Ind AS 115, the transaction price allocated to these unsatisfied contracts is not disclosed.

**(ii) Reconciliation of revenue recognized with contract price:**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Contract price	3,849.17	2,804.09
Adjustments for:		
Discounts and rebates	(1.85)	(2.12)
Liquidated damages	(3.79)	(1.65)
<b>Total Revenue from contract with customers</b>	<b>3,843.53</b>	<b>2,800.32</b>

**(iii) Disaggregation of revenue from contracts with customers:**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>The Company derives revenue from the transfer of goods and services in the following geographical regions:</b>		
India	3,812.69	2,768.05
Asia (Excluding India)	30.21	31.85
Others	0.63	0.42
<b>Total Revenue from contract with customers</b>	<b>3,843.53</b>	<b>2,800.32</b>

**(iv) The Company derives revenue from the transfer of following goods and services:**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Textile and related products	1,467.27	1,210.52
Digital infrastructure	62.34	92.89
Consumer durables and others	2,313.92	1,496.91
<b>Total Revenue from contract with customers</b>	<b>3,843.53</b>	<b>2,800.32</b>

**(v) Timing of revenue recognition**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Revenue from contract with customers</b>		
Goods transferred at a point in time	3,792.85	2,707.00
Services transferred over time	50.68	93.32
<b>Total Revenue from contract with customers</b>	<b>3,843.53</b>	<b>2,800.32</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

**Note 28 - Other income**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest income on:		
(i) Financial assets at amortized cost		
Term deposits	9.71	7.18
Others	0.22	0.71
(ii) Income tax refund	-	0.94
Rental income from investment properties	4.58	4.21
Utility / business service / air-conditioning charges and other receipts in respect of investment properties	5.04	5.57
Dividend income from equity investments designated at fair value through other comprehensive income	5.07	7.60
Apportioned income from Government grants #	0.41	0.54
Miscellaneous income	5.49	7.59
<b>Total</b>	<b>30.52</b>	<b>34.34</b>

#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, 2026 (Refer Note 47).

**Note 29 - Other gains (net)**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Net gain on disposal of property, plant and equipment and investment properties [Refer Notes 3(a) and 4]	0.30	3.27
Net gain on sale of investments	0.70	0.08
Net foreign exchange differences	0.19	0.38
<b>Total</b>	<b>1.19</b>	<b>3.73</b>

**Note 30 - Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Inventories at the end of the year</b>		
Finished goods	15.48	18.81
Work-in-progress	29.12	30.17
Stock-in-trade (Traded goods) (including stock-in-transit)	55.17	43.95
<b>Sub-total (A)</b>	<b>99.77</b>	<b>92.93</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	18.81	10.74
Work-in-progress	30.17	35.16
Stock-in-trade (Traded goods) (including stock-in-transit)	43.95	29.73
<b>Sub-total (B)</b>	<b>92.93</b>	<b>75.63</b>
<b>Total (B - A)</b>	<b>(6.84)</b>	<b>(17.30)</b>



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)  
(All amounts in ₹ Crores, unless otherwise stated)

**Note 31 - Employee benefits expense**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, wages, bonus, etc.	53.07	48.97
Contributions to provident and other funds [Refer Note 41 (ii)(a)]	4.14	4.00
Gratuity expense (Refer Note 41)	1.80	1.79
Staff welfare expenses	2.12	2.16
Employee share-based payment expense (Refer Note 38)	0.37	2.01
<b>Total</b>	<b>61.50</b>	<b>58.93</b>

**Note 32 - Finance costs**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest expense on financial liabilities measured at amortized cost and lease liabilities:		
Interest on borrowings	4.18	5.78
Interest on trade payables	0.60	1.05
Interest on lease liabilities	0.29	0.15
Interest - others	0.11	0.15
Other borrowing costs	3.47	3.83
<b>Total</b>	<b>8.65</b>	<b>10.96</b>

**Note 33 - Depreciation and amortization expense**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation of property, plant and equipment [Refer Notes 3(a)]	13.02	13.00
Depreciation of right-of-use assets [Refer Notes 3(b)(i)]	1.08	0.62
Depreciation on investment properties (Refer Note 4)	0.09	0.09
Amortization on intangible assets (Refer Note 5)	2.44	1.32
<b>Total</b>	<b>16.63</b>	<b>15.03</b>

**Note 34 - Other expenses**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Consumption of stores and spare parts	36.55	32.34
Processing charges	6.46	9.71
Power and fuel	35.78	34.75
Royalty	1.12	-
Repairs and maintenance		
Buildings	2.10	2.22
Machinery	1.82	1.85
Others	3.21	2.69
Insurance (net)	0.84	1.03
Lease rent #	0.12	0.22

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

(All amounts in ₹ Crores, unless otherwise stated)

<b>Particulars</b>	<b>Year ended March 31, 2026</b>	<b>Year ended March 31, 2025</b>
Sales commission	4.35	3.12
Rates and taxes	3.25	3.09
Sub-contracting and distribution charges	83.35	114.27
Transport and freight charges (net)	20.79	14.82
Donations and Charities	0.87	0.46
Bad Debts written off	6.88	0.85
Less: Allowances there against	(6.88)	(0.85)
Security deposits written off	1.62	-
Loss allowance on security deposits	(0.36)	0.87
Legal and professional fees	13.34	12.27
Payments to auditors [Refer Note 34(a)]	0.59	0.54
Directors' remuneration (Refer Note 42)	1.35	0.80
Miscellaneous expenses	23.54	21.71
<b>Total</b>	<b>240.69</b>	<b>256.76</b>

# Lease rent expense pertains to short-term leases.

**Note 34(a) - Details of payment to auditors**

<b>Particulars</b>	<b>Year ended March 31, 2026</b>	<b>Year ended March 31, 2025</b>
<b>Payment to the auditors</b>		
<b>As auditor:</b>		
Statutory audit fees	0.39	0.37
Limited reviews	0.17	0.15
Certifications fees	0.02	0.01
Reimbursement of expenses	0.01	0.01
<b>Total</b>	<b>0.59</b>	<b>0.54</b>

**Note 35 - Exceptional Item**

<b>Particulars</b>	<b>Year ended March 31, 2026</b>	<b>Year ended March 31, 2025</b>
Employee severance cost comprising voluntary retirement scheme at Nadiad (Refer note a. below)	-	6.00
Gratuity Expenses (Refer note b. below)	2.87	-
<b>Total</b>	<b>2.87</b>	<b>6.00</b>

**Note:**

- a. During the year ended March 31, 2025, the Company entered into a Memorandum of Understanding (MOU) with the Workers' Union at its Nadiad location to reduce its workforce and accordingly recognized expenses towards compensation payable as full and final settlement to its certain workers who accepted the offer and disclosed the same as an exceptional item. The aforesaid MOU with the Workers' Union at Nadiad location is no longer effective for the remaining workers to opt for the offer.


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

(All amounts in ₹ Crores, unless otherwise stated)

- b. Pursuant to the notification issued by the Ministry of Labour and Employment, multiple existing labour legislations have been consolidated into a unified framework comprising four Labour Codes, collectively referred to as the 'New Labour Codes' which became effective from November 21, 2025. The Company has reassessed its employee benefit obligations in accordance with the revised definition of wages. Accordingly, an estimated incremental liability on gratuity provision has been recognized as an "Exceptional Item" during the year ended March 31, 2026. The Company is monitoring updates on the rules and clarifications by State and/or Central Government authorities in relation to the New Labour Codes and impact of those will be evaluated and accounted for in the period in which they are notified.

**Note 36 - Taxation**
**36(a) - Tax expense**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Current tax</b>	25.168%	25.168%
Current tax on Profits for the year	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax charge / (credit) - Standalone Statement of Profit and Loss</b>		
Decrease / (Increase) in deferred tax assets	5.92	(23.54)
Decrease in deferred tax liabilities	(0.29)	(0.06)
<b>Total deferred tax charge / (credit)</b>	<b>5.63</b>	<b>(23.60)</b>
<b>Deferred tax credit - Other Comprehensive Income</b>		
Increase in deferred tax assets	(9.26)	(21.16)
<b>Total deferred tax credit</b>	<b>(9.26)</b>	<b>(21.16)</b>

**36(b) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Profit for the year</b>	96.70	74.54
Statutory income tax rate applicable to Mafatlal Industries Limited	25.168%	25.168%
<b>Tax expense at applicable tax rate</b>	<b>24.34</b>	<b>18.76</b>
Tax effects of amounts which are (deductible) / taxable in calculating taxable income:		
Permanent difference on sale of property, plant and equipment and investments	-	(0.83)
Adjustments for tax of prior periods	(2.01)	1.41
Unrecognized deferred tax for other temporary differences	-	1.29
Expenses not deductible for tax purposes (CSR & MSME Interest)	0.36	0.35
Income for the year set off against brought forward losses on which deferred tax was not recognized in earlier years	-	(17.00)
Deferred tax recognized for unabsorbed depreciation	(16.25)	(7.52)
Deferred tax recognized for business losses	(0.72)	(24.85)
Differential rate on recognition of unabsorbed depreciation	-	4.70
Others	(0.09)	0.09
<b>Income tax expense as per the Standalone Statement of Profit and Loss</b>	<b>5.63</b>	<b>(23.60)</b>

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

(All amounts in ₹ Crores, 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 Company, has opted for lower rate of tax with effect from financial year ended March 31, 2023.

**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 Standalone Statement of Profit and Loss or Other Comprehensive Income.

**36(e) - Deferred tax assets (net)**

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Deferred tax assets</b>		
Loss allowance on trade receivables and deposits (net)	8.06	1.30
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	5.43	4.23
Unabsorbed depreciation	26.76	17.62
Business loss	6.32	29.34
Change in fair value of FVOCI equity instruments	20.12	10.86
<b>Total deferred tax assets</b>	<b>66.69</b>	<b>63.35</b>
<b>Deferred tax liabilities</b>		
Property, plant and equipment and intangible assets	(3.37)	(3.66)
<b>Deferred tax assets (net)</b>	<b>63.32</b>	<b>59.69</b>

**Movement in deferred tax assets 'DTA' / (liabilities) 'DTL'**

Particulars	DTA / (DTL) as at March 31, 2024	Charged / (Credited) to profit and loss	Charged / (Credited) to OCI	DTA / (DTL) as at March 31, 2025
<b>Year ended March 31, 2025</b>				
Loss allowance on trade receivables and deposits (net)	7.20	5.90	-	1.30
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	6.96	2.93	(0.20)	4.23
Unabsorbed depreciation	10.10	(7.52)	-	17.62
Business losses	4.49	(24.85)	-	29.34
Property, plant and equipment and intangible assets	(3.72)	(0.06)	-	(3.66)
Change in fair value of FVOCI equity instruments	(10.10)	-	(20.96)	10.86
<b>Total deferred tax assets (net)</b>	<b>14.93</b>	<b>(23.60)</b>	<b>(21.16)</b>	<b>59.69</b>


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

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	DTA / (DTL) as at March 31, 2025	Charged / (Credited) to profit and loss	Charged / (Credited) to OCI	DTA / (DTL) as at March 31, 2026
<b>Year ended March 31, 2026</b>				
Loss allowance on trade receivables and deposits (net)	1.30	(6.76)	-	8.06
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	4.23	(1.20)	-	5.43
Unabsorbed depreciation	17.62	(9.14)	-	26.76
Business losses	29.34	23.02	-	6.32
Property, plant and equipment and intangible assets	(3.66)	(0.29)	-	(3.37)
Change in fair value of FVOCI equity instruments	10.86	-	(9.26)	20.12
<b>Total deferred tax assets (net)</b>	<b>59.69</b>	<b>5.63</b>	<b>(9.26)</b>	<b>63.32</b>

The Company has recognized the deferred tax asset on unabsorbed depreciation and business losses 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, 2026	As at March 31, 2025
Unabsorbed brought forward depreciation	-	64.56
Potential tax benefit @ 25.168% (March 31, 2025: 25.168%)	-	16.25
Long term capital loss	24.90	24.97
Potential tax benefit @ 14.3*% (March 31, 2025: 12.5%)	3.56	3.12
<b>Total Potential tax benefit</b>	<b>3.56</b>	<b>19.37</b>

\* including surcharge

**36(g) - Current tax assets (net)**

Particulars	As at March 31, 2026	As at March 31, 2025
Current tax assets [Net of provision of tax ₹ 127.21 (March 31, 2025: ₹ 128.43)]	51.16	19.76
- Non Current	27.92	19.76
- Current	23.24	-

**Note 37 - Fair value measurements**
**(i) Financial Instruments 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.

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

(All amounts in ₹ Crores, unless otherwise stated)

- 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.

There were no transfers between level 1, level 2 and level 3 during the year.

**(ii) Financial instruments by category**

Particulars	As at March 31, 2026			As at March 31, 2025		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Equity instruments other than subsidiaries	-	389.47	-	-	442.26	1.10
- Government securities	-	-	0.03	-	-	0.03
Cash and bank balances	-	-	258.21	-	-	162.18
Loans	-	-	0.50	-	-	0.01
Other financial assets	-	-	22.78	-	-	14.93
Trade receivables	-	-	710.83	-	-	480.18
<b>Total financial assets</b>	<b>-</b>	<b>389.47</b>	<b>992.35</b>	<b>-</b>	<b>442.26</b>	<b>658.43</b>
<b>Financial liabilities</b>						
Borrowings	-	-	60.77	-	-	68.29
Trade payables	-	-	714.21	-	-	443.36
Other financial liabilities	-	-	168.24	-	-	112.30
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>943.22</b>	<b>-</b>	<b>-</b>	<b>623.95</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

**Financial Asset and Liabilities measured at Fair Value - recurring fair value measurements - Level 1**

Particulars	As at March 31, 2026	As at March 31, 2025
Quoted equity investments measured at fair value	388.48	442.26

Difference between fair value of non-current financial instruments carried at amortized cost and carrying value is not considered to be material to the financial statements.

**(iii) 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.
- 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 finalized 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, in compliance with the provisions of the Securities and Exchange Board of India (Share Based benefits) Regulations, 2014 and amendments thereof from time to time.

- (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 1<sup>st</sup> anniversary, 20% on 2<sup>nd</sup> anniversary, 30% on 3<sup>rd</sup> anniversary and remaining 35% on 4<sup>th</sup> anniversary of the grant date. Once vested, the options remain exercisable 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 exercisable for a period of four years after vesting.
- (iv) During the financial year 2022-23, 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 exercisable for a period of four years after vesting.

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

(All amounts in ₹ Crores, unless otherwise stated)

- (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 sub-division of equity shares effective from November 25, 2022. Disclosures have been made after giving effect to the sub-division of equity shares.
- (vii) During the financial year 2024-25, the NRC in its meeting held on May 27, 2024 has granted 3,55,000 options (after 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 27, 2024 and the vested options are exercisable for a period of four years after vesting.

**(b) Set out below is a summary of options granted under the plan:**

Particulars	As at March 31, 2026		As at March 31, 2025	
	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]
<b>Opening Balance</b>				
Options granted on November 10, 2017	64.54	-	64.54	32,500
Options granted on August 01, 2019	15.73	-	15.73	12,000
Options granted on May 28, 2022	36.20	2,99,000	36.20	7,73,500
Options granted on May 27, 2024	131.15	3,55,000	-	-
<b>Granted during the year</b>				
Options granted on May 27, 2024	-	-	131.15	3,55,000
<b>Exercised during the year</b>				
Options granted on August 01, 2019	15.73	-	15.73	12,000
Options granted on May 28, 2022	36.20	2,46,500	36.20	3,95,500
Options granted on May 27, 2024	131.15	7,000	-	-
<b>Forfeited during the year</b>				
Options granted on November 10, 2017	64.54	-	64.54	32,500
Options granted on May 28, 2022	36.20	37,500	36.20	79,000
Options granted on May 27, 2024	131.15	25,000	-	-
<b>Closing Balance</b>				
Options granted on May 28, 2022	36.20	15,000	36.20	2,99,000
Options granted on May 27, 2024	131.15	3,23,000	131.15	3,55,000
Vested and exercisable		3,38,000		6,54,000

**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 38(a)(vi) above].

- (c) The weighted average share price at the dates of exercise of the options exercised during the year ended March 31, 2026 was ₹ 161.33 per share (March 31, 2025: ₹ 131.80 per share).



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

(All amounts in ₹ Crores, unless otherwise stated)

**(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, 2026	Share options March 31, 2025	Fair value of options at grant date [see Note (a)(vi) above] (in ₹)
May 28, 2022	May 28, 2023	May 28, 2027	36.20	15,000	2,99,000	13.76
May 27, 2024	May 27, 2025	May 27, 2029	131.15	3,23,000	3,55,000	66.95
<b>Total</b>				<b>3,38,000</b>	<b>6,54,000</b>	

Weighted average remaining contractual life of options outstanding at end of period	3.08 years	3.25 years
---	------------	------------

**(e) Fair Value of options granted**

**The model inputs for options granted on November 10, 2017 included [see Note 38(a)(vi) above]:**

- options are granted for no consideration and vest upon completions of service for a period of 1-4 years. Vested options are exercisable for a period of four years after vesting.
- exercise price: ₹ 64.54 per option
- grant date: November 10, 2017
- expiry date: November 10, 2022 - November 10, 2025
- share price at grant date: ₹ 62.82 per share
- expected price volatility of the Company's shares: 48.32%-51.99%
- expected dividend yield: 1.69%
- 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 38(a)(vi) above]:**

- options are granted for no consideration and vest upon completion of service for a period of one year. Vested options are exercisable for a period of four years after vesting.
- exercise price: ₹ 15.73 per option
- grant date: August 01, 2019
- expiry date: August 01, 2024
- share price at grant date: ₹ 15.73 per share
- expected price volatility of the Company's shares: 42.29%
- expected dividend yield: 0%
- 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 38(a)(vi) above]:**

- options are granted for no consideration and vest upon completion of service for a period of one year. Vested options are exercisable for a period of four years after vesting.
- exercise price: ₹ 36.20 per option
- grant date: May 28, 2022

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

(All amounts in ₹ Crores, unless otherwise stated)

- (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.

**The model inputs for options granted on May 27, 2024 included [see Note 38(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 exercisable for a period of four years after vesting.
- (b) exercise price: ₹ 131.15 per option
- (c) grant date: May 27, 2024
- (d) expiry date: May 27, 2029
- (e) share price at grant date: ₹ 142.63 per share
- (f) expected price volatility of the Company's shares: 56.75%
- (g) expected dividend yield: 0%
- (h) risk free interest rate: 6.98%

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, 2026	Year ended March 31, 2025
Employee share-based payment expense (Refer Note 31)	0.37	2.01

**Note 39 - Financial risk management**

The Company's business activities exposes it to a variety of financial risks, namely liquidity risk, market risk 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



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

(All amounts in ₹ Crores, unless otherwise stated)

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 committed 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.

**(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, 2026	As at March 31, 2025
Expiring within one year (current borrowing facilities)	95.10	91.39
Expiring beyond one year	5.43	13.73

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, 2026	Less than 12 months	1 year to 3 years	More than 3 years
Non current borrowings (including current maturity of long term debt)	9.84	19.53	20.33
Current borrowings*	20.90	-	-
Trade payables	714.21	-	-
Trade / Security deposits	145.55	3.59	0.44
Lease liabilities	1.59	0.74	0.06
Other financial liabilities (excluding trade / security deposits)	8.84	9.82	-

As at March 31, 2025	Less than 12 months	1 year to 3 years	More than 3 years
Non current borrowings (including current maturity of long term debt)	16.95	16.45	14.82
Current borrowings*	32.61	-	-
Trade payables	443.36	-	-
Trade / Security deposits	89.33	3.12	0.85
Lease liabilities	0.86	0.95	0.03
Other financial liabilities (excluding trade / security deposits)	9.18	9.82	-

\* 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 balances 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.

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

(All amounts in ₹ Crores, unless otherwise stated)

The size and operations of the Company result in it being exposed to the price risk, interest rate risk and foreign exchange risk that arise from its use of financial instruments.

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:

**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.

Any new investment or divestment must be approved by the Board of Directors and Chief Financial Officer.

**a) Price risk sensitivity analysis**

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:

Particulars	Effect on other comprehensive income	
	5% increase	5% decrease
<b>March 31, 2026</b>	19.42	(19.42)
March 31, 2025	22.11	(22.11)

Above referred sensitivity pertains to quoted equity investments (Refer Note 6).

**ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rate is limited to borrowings which bear floating interest rate.

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company manages interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. As at March 31, 2026, approximately 34.99% of the Company's borrowings is at variable rate of interest (March 31, 2025: 52.66%).

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period is as follows:

**a) Interest rate exposure**

Particulars	As at March 31, 2026	As at March 31, 2025
Variable rate borrowings	21.18	35.96
Fixed rate borrowings	39.36	32.33



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

(All amounts in ₹ Crores, unless otherwise stated)

**b) Interest rate sensitivity**

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are included in the table below. As at the end of the reporting period, the Company had the following exposure on variable rate borrowings outstanding. Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilized for the whole financial year:

Particulars	Effect on profit before tax	
	0.25 bps increase	0.25 bps decrease
<b>March 31, 2026</b>	(0.05)	0.05
March 31, 2025	(0.09)	0.09

**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 recognized 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.

**a) Foreign currency risk exposure**

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	Receivable	Receivable in Foreign currency	Receivable	Receivable in Foreign currency
	(₹ in Crores)	(Amount in Foreign currency) (in full numbers)	(₹ in Crores)	(Amount in Foreign currency) (in full numbers)
Trade receivables	3.22	USD 3,39,333	4.20	USD 4,90,006

**b) Foreign currency sensitivity**

5% is the sensitivity rate used when reporting foreign currency risk and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding unhedged foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The following table demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax, due to changes in the fair value of monetary assets and liabilities, is as follows:

Particulars	Effect on profit before tax	
	5% increase	5% decrease
<b>March 31, 2026</b>	0.16	(0.16)
March 31, 2025	0.21	(0.21)

**(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.

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

(All amounts in ₹ Crores, unless otherwise stated)

The Company is exposed to credit risk from its operating activities which primarily includes trade receivables, security deposits, cash and cash equivalents, deposit with banks and other bank balances. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

***Cash and cash equivalents, 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 dealing with highly rated banks. Management does not expect any losses from non-performance by these counterparties and the risk of default is negligible or nil.

***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 evaluates 12 months expected credit losses for all the financial assets (other than trade receivable) for which credit risk has not increased. In case credit risk has increased significantly, the Company considers lifetime expected credit losses for the purpose of provisioning (loss allowance).

Financial assets are written off when there is no reasonable expectations 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.

***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.

The Company's assessment is that credit risk in relation to sales made to government customers or sub-contractors to government is extremely low as the probability of default is insignificant; therefore the provision for expected credit losses (ECL) is immaterial in respect of receivables from these customers.

For all non-government customers, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix by taking into consideration payment profiles over a period of 36 months before the reporting date and the corresponding historical credit loss experience within this period. The historical loss rates are adjusted to reflect the current and forward looking information on macro economic factors affecting the ability of customers to settle receivables. The expected credit loss is based on aging of days, the receivables due and the expected credit loss rate. Further, the Company has assessed credit risk on an individual basis in respect of certain customers in case of event driven situation such as litigations, disputes, change in customer's credit risk history, specific provision are made after evaluating the relevant facts and expected recovery.



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

(All amounts in ₹ Crores, unless otherwise stated)

**The movement in loss allowances for security deposits is as follows:**

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at beginning of the year	2.64	2.64
Add: Created during the year	1.22	-
Less: Utilized during the year	(1.58)	-
<b>Balance as at the end of the year</b>	<b>2.28</b>	<b>2.64</b>

**The movement in allowance for trade receivables is as follows:**

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at beginning of the year	29.42	25.96
Add: Created during the year	18.67	4.31
Less: Utilized during the year	(6.88)	(0.85)
<b>Balance as at the end of the year</b>	<b>41.21</b>	<b>29.42</b>

**Details of expected credit loss as at March 31, 2026**

Particulars	Unbilled	Outstanding for following periods from the due date					Total
		Not Due and Less than 180 days	181-360 days	361-540 days	541-720 days	>720 days	
Gross carrying amount – trade receivables (based on provision matrix)	-	148.93	22.64	15.62	4.85	16.05	208.09
Gross carrying amount – trade receivables (considered on individual basis)*	-	418.48	53.89	10.07	37.36	14.99	534.79
Gross carrying amount – trade receivables Credit Impaired	-	-	-	0.37	0.16	8.63	9.16
<b>Total</b>	-	<b>567.41</b>	<b>76.53</b>	<b>26.06</b>	<b>42.37</b>	<b>39.67</b>	<b>752.04</b>
Expected loss rate	-	2.32%	17.80%	30.99%	73.67%	100.00%	
Expected credit losses - trade receivables (based on provision matrix)	-	3.46	4.03	4.84	3.67	16.05	32.05
Expected credit losses - trade receivables (considered on individual basis)	-	-	-	-	-	-	-
Provision due to credit impaired - trade receivables	-	-	-	0.37	0.16	8.63	9.16
<b>Loss allowance</b>	-	<b>3.46</b>	<b>4.03</b>	<b>5.21</b>	<b>3.83</b>	<b>24.68</b>	<b>41.21</b>
<b>Carrying amount of trade receivables (net of loss allowance)</b>	-	<b>563.95</b>	<b>72.50</b>	<b>20.85</b>	<b>38.54</b>	<b>14.99</b>	<b>710.83</b>

\* mainly includes trade receivables in relation to sales made to government customers or sub-contractors to government.

**Details of expected credit loss as at March 31, 2025**

Particulars	Unbilled	Outstanding for following periods from the due date					Total
		Not Due and Less than 180 days	181-360 days	361-540 days	541-720 days	>720 days	
Gross carrying amount – trade receivables (based on provision matrix)	-	198.56	11.22	9.53	3.45	8.97	231.73
Gross carrying amount – trade receivables (considered on individual basis) *	-	84.49	155.65	13.59	10.62	5.64	269.99
Gross carrying amount – trade receivables Credit Impaired	-	-	-	-	-	7.88	7.88
<b>Total</b>	-	<b>283.05</b>	<b>166.87</b>	<b>23.12</b>	<b>14.07</b>	<b>22.49</b>	<b>509.60</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Unbilled	Outstanding for following periods from the due date					Total
		Not Due and Less than 180 days	181-360 days	361-540 days	541-720 days	>720 days	
Expected loss rate	-	1.14%	15.57%	25.29%	42.98%	100.00%	
Expected credit losses - trade receivables (based on provision matrix)	-	2.26	1.76	2.42	1.49	8.97	16.90
Expected credit losses - trade receivables (considered on individual basis)	-	-	-	-	-	5.64	5.64
Provision due to credit impaired - trade receivables	-	-	-	-	-	6.88	6.88
<b>Loss allowance</b>	-	<b>2.26</b>	<b>1.76</b>	<b>2.42</b>	<b>1.49</b>	<b>21.49</b>	<b>29.42</b>
<b>Carrying amount of trade receivables (net of loss allowance)</b>	-	<b>280.79</b>	<b>165.11</b>	<b>20.70</b>	<b>12.58</b>	<b>1.00</b>	<b>480.18</b>

\* mainly includes trade receivables in relation to sales made to government customers or sub-contractors to government.

**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 stakeholders; and
- 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. For achieving this, the requirement of capital is reviewed periodically with reference to operating and business plans. Apart from internal accrual, sourcing of capital is done through a judicious combination of equity and borrowing, both short term and long term. Debt (total borrowings + lease liabilities) to equity ratio is used to monitor capital.

The debt equity ratio highlights the ability of a business to repay its debts.

Description	As at March 31, 2026	As at March 31, 2025
Total Debt (total borrowings + lease liabilities) (A)	63.16	70.13
Total Equity (B)	772.95	741.37
<b>Debt to equity ratio (A/B) (in times)</b>	<b>0.08</b>	<b>0.09</b>

**Loan Covenants**

Under the terms of borrowing facilities, the Company is required to comply with the following covenants:

**(i) Financial covenants:**

- Total liabilities to net worth (total equity) below 3,
- Interest service coverage ratio above 2,
- Debt service coverage ratio above 1.25,
- Debt to EBITDA ratio below 2.

**(ii) Non financial covenants:**

- The Company to take prior written 'No Objection Certificate (NOC)' from the bank for the following:
  - a) In case of dilution of shareholding in NOCIL Limited below 10%.

As at March 31, 2026 and as at March 31, 2025, the Company has complied with the applicable covenants on the outstanding exposure.



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

(All amounts in ₹ Crores, unless otherwise stated)

**Note 41 - Employee benefit obligations**

Particulars	As at March 31, 2026	As at March 31, 2025
Compensated Absences (Refer Note 25)	5.98	5.52
Gratuity (Refer Note 25)	6.73	4.16
<b>Total</b>	<b>12.71</b>	<b>9.68</b>

**(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, 2026	As at March 31, 2025
Current leave obligations not expected to be settled within the next 12 months	4.46	4.42

**(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 ₹ 4.14 (March 31, 2025: ₹ 4.00) (Refer Note 31).

**(b) Defined Benefit Plans:**

**Gratuity**

The Company provides for gratuity as per the Company's scheme or applicable Act/Rules (last drawn basic salary per month computed proportionately for 15 days multiplied by number of years of service) whichever is more beneficial to the employees. As per the Company's scheme, the amount of gratuity payable on retirement / termination is payable to the employees based on last drawn basic salary per month computed proportionately for 30 / 15 / 30 days (for number of years of service tenure of less than 15 years, more than 15 years but less than 30 years and more than 30 years, respectively). The benefits vest after five years of continuous service. The Company has established Fund to which the Company makes contribution for the employees. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

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.



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

(All amounts in ₹ Crores, 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 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. 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
<b>As on April 01, 2024</b>	<b>26.49</b>	<b>19.29</b>	<b>7.20</b>
Interest Expense / Income	1.91	1.39	0.52
Current Service Cost	1.27	-	1.27
<b>Total amount recognized in the Standalone Statement of Profit and Loss</b>	<b>3.18</b>	<b>1.39</b>	<b>1.79</b>
<i>Remeasurements</i>			
Return on plan assets, excluding amount included in interest expense / income	-	0.96	(0.96)
Loss from change in financial assumptions	1.57	-	1.57
Experience losses	0.20	-	0.20
<b>Total amount recognized in Other Comprehensive Income</b>	<b>1.77</b>	<b>0.96</b>	<b>0.81</b>
Employer Contributions	-	5.64	(5.64)
Benefit Payments	(4.65)	(4.65)	-
<b>Balance as on March 31, 2025</b>	<b>26.79</b>	<b>22.63</b>	<b>4.16</b>

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>As on April 01, 2025</b>	<b>26.79</b>	<b>22.63</b>	<b>4.16</b>
Interest Expense / Income	1.87	1.55	0.32
Current Service Cost	1.48	-	1.48
Past Service Cost	2.87	-	2.87
<b>Total Amount Recognized in the Standalone Statement of Profit and Loss</b>	<b>6.22</b>	<b>1.55</b>	<b>4.67</b>
<i>Remeasurements</i>			
Return on plan assets, excluding amount included in interest expense / income	-	(0.03)	0.03
(Gain) / Loss from change in financial assumptions	(0.66)	-	(0.66)
Experience losses	0.31	-	0.31
<b>Total Amount Recognized in Other Comprehensive Income</b>	<b>(0.35)</b>	<b>(0.03)</b>	<b>(0.32)</b>
Employer Contributions	-	1.78	(1.78)
Benefit Payments	(2.33)	(2.33)	-
<b>Balance as on March 31, 2026</b>	<b>30.33</b>	<b>23.60</b>	<b>6.73</b>


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

(All amounts in ₹ Crores, unless otherwise stated)

**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
<b>As on April 01, 2024</b>	<b>21.50</b>	<b>21.79</b>	<b>(0.29)</b>
Opening Balance adjustment	0.04	-	0.04
Interest Expense	1.51	1.51	-
Current Service Cost	0.94	-	0.94
Employee Contributions	1.18	2.12	(0.94)
Liabilities transferred in	0.12	0.12	-
Return on plan assets	-	0.09	(0.09)
Benefit Payments	(5.47)	(5.47)	-
<b>Balance as on March 31, 2025 *</b>	<b>19.82</b>	<b>20.16</b>	<b>(0.34)</b>

Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
<b>As on April 01, 2025</b>	<b>19.82</b>	<b>20.16</b>	<b>(0.34)</b>
Opening Balance adjustment	(0.03)	-	(0.03)
Interest Expense	1.37	1.37	-
Current Service Cost	0.91	-	0.91
Contributions	1.16	2.07	(0.91)
Liabilities transferred in	0.36	0.36	-
Return on plan assets	-	0.03	(0.03)
Benefit Payments	(5.99)	(5.99)	-
Actuarial loss (recognized in Other Comprehensive Income)	0.43	-	0.43
<b>Balance as on March 31, 2026</b>	<b>18.03</b>	<b>18.00</b>	<b>0.03</b>

Following tables show breakdown of the defined benefit obligations and plan assets:

**GRATUITY**

Particulars	As at March 31, 2026	As at March 31, 2025
Present Value of Obligations	30.33	26.79
Fair Value of Plan Assets	23.60	22.63
<b>Net Liability</b>	<b>6.73</b>	<b>4.16</b>

**PROVIDENT FUND**

Particulars	As at March 31, 2026	As at March 31, 2025
Present Value of Future Obligations	18.52	19.82
Fair Value of Plan Assets	18.09	20.16
<b>Net Asset</b>	<b>0.43</b>	<b>(0.34)</b>

\*Excess of the asset over liability is not recognized in the standalone financial statements

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

(All amounts in ₹ Crores, unless otherwise stated)

The significant actuarial assumptions were as follows:

<b>Particulars</b>	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
Discount Rate / Return on plan assets		
Gratuity	7.06%	6.73%
Guaranteed Return		
Provident fund	8.25%	8.25%
Rate of salary increase		
Gratuity	7.00%	7.00%
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 weighted principal assumptions by 1.00 % is as below:

<b>Particulars</b>	<b>Impact on defined benefit obligation</b>			
	<b>Increase in assumptions</b>		<b>Decrease in assumptions</b>	
	<b>March 31, 2026</b>	<b>March 31, 2025</b>	<b>March 31, 2026</b>	<b>March 31, 2025</b>
<b>Discount Rate / Return on plan assets</b>				
Gratuity	(1.80)	(1.62)	2.06	1.85
<b>Rate of salary increase</b>				
Gratuity	2.04	1.83	(1.82)	(1.63)
<b>Rate of employee turnover</b>				
Gratuity	(0.03)	(0.06)	0.03	0.06

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:

<b>Particulars</b>	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
Central Government of India bonds	9.53%	13.18%
State Government Securities	26.83%	26.81%
Special Deposits Scheme	5.53%	6.91%
Debt Instruments / Mutual Funds	44.14%	49.98%
Others	13.97%	3.12%



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

(All amounts in ₹ Crores, unless otherwise stated)

(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 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, 2027 are ₹ 3.27

The weighted average duration of the defined benefit obligation is 8 years (March 31, 2025: 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, 2026	As at March 31, 2025
1 <sup>st</sup> Following Year	5.24	3.35
2 <sup>nd</sup> Following Year	2.30	3.59
3 <sup>rd</sup> Following Year	2.46	1.93
4 <sup>th</sup> Following Year	2.60	1.88
5 <sup>th</sup> Following Year	2.87	2.03
Sum of Years 6 to 10	14.33	13.06
Sum of Years 11 and above	24.50	20.82

**Note 42 - Related party transactions**

**I Name of related parties and nature of relationship:**

**A) Subsidiary Companies:**

Mafatlal Services Limited

Pieflowtech Solutions Private Limited (w.e.f October 18, 2024)

Mafatlal Apparel Exports Private Limited (w.e.f July 19, 2025)

**B) Key Management Personnel (KMP):**

H. A. Mafatlal (Executive Chairman)

Priyavrata H. Mafatlal (Son of H.A. Mafatlal) (Managing Director)

Atul K. Srivastava (Non Executive Independent Director)



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

(All amounts in ₹ Crores, unless otherwise stated)

Vilas R. Gupte (Non Executive Independent Director) (upto August 04, 2024)  
Pradip N. Kapadia (Non Executive Independent Director) (upto August 04, 2024)  
Latika P. Pradhan (Non Executive Independent Director) (upto April 16, 2025)  
Gautam G. Chakravarti (Non Executive Independent Director) (upto May 29, 2025)  
Sujal A. Shah (Non Executive Independent Director) (upto May 29, 2025)  
Jyotin K. Mehta ( Non Executive Independent Director) (w.e.f October 26, 2024)  
Ashutosh S. Bishnoi (Non Executive Independent Director) (w.e.f May 27, 2024)  
Abhay R. Jadeja (Non Executive Independent Director) (w.e.f May 27, 2024)  
Archana Hingorani (Non Executive Independent Director) (w.e.f February 04, 2025)  
Desh Deepak Khetrapal (Non Executive Independent Director) (w.e.f February 04, 2025)

**C) Relatives of KMP with whom transactions have taken place during the year**

Aarti M. Chadha  
Anjali K. Agarwal  
Rekha H. Mafatlal

**D) Individual having control:**

H. A. Mafatlal

**E) Entity having significant influence:**

Sumil Trading Private Limited

**F) Entities over which KMP or their relatives have control / significant influence (with whom transactions have taken place):**

NOCIL Limited  
N. M. Sadguru Water and Development Foundation  
Sri Chaitanya Health and Care Trust  
MAF Technologies Private Limited  
Pieflowtech Solutions Private Limited (from October 18, 2024) [Refer Note 49(a)]  
Mafatlal Apparel Exports Private Limited (from July 19, 2025) [Refer Note 49(b)]  
Mafatlal Services Limited  
Sumil Trading Private Limited  
Vrata Tech Solutions Private Limited  
Vigil Juris (upto August 04, 2024)  
Jadeja & Satiya  
Indivar Foundation  
Vrata Trading Private Limited  
Vrata Ecorenew Energy LLP  
Shriaan Trading LLP  
H. A. Mafatlal as a Trustee of Gurukripa Trust



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

(All amounts in ₹ Crores, unless otherwise stated)

H. A. Mafatlal as a Trustee of Karuna Trust  
H. A. Mafatlal as a Trustee of Narsingha Trust  
H. A. Mafatlal as a Trustee of Shrija Trust  
Rekha H. Mafatlal as a Trustee of Radha Raman Trust  
Shri H. A. Mafatlal Public Charitable Trust No 1  
Seth Navinchandra Mafatlal Foundation Trust No 1  
MAF Hospitality LLP  
Intensive Clothing Care Unit

**G) Post employment benefit plan:**

The Mafatlal Gagalbhai & Sons and the Associate Concerns Officer's Superannuation 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, 2026	Year ended March 31, 2025
<b>Directors' Remuneration</b>		
<b>Employee benefit expenses #</b>		
Priyavrata H. Mafatlal	3.70	3.26
<b>Directors' sitting fees</b>		
Latika P. Pradhan	-	0.10
Atul K. Srivastava	0.10	0.12
Pradip. N. Kapadia	-	0.04
Gautam G. Chakravarti	0.01	0.12
Sujal A. Shah	0.01	0.11
Vilas. R. Gupte	-	0.04
Abhay R. Jadeja	0.11	0.08
Ashutosh S. Bishnoi	0.11	0.07
Jyotin K. Mehta	0.10	0.04
Archana Hingorani	0.10	0.04
Desh Deepak Khetrpal	0.06	0.04
<b>Directors' commission</b>		



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

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Latika P. Pradhan	0.09	-
Atul K. Srivastava	0.09	-
Pradip. N. Kapadia	0.05	-
Gautam G. Chakravarti	0.09	-
Sujal A. Shah	0.09	-
Vilas. R. Gupte	0.05	-
Abhay R. Jadeja	0.09	-
Ashutosh S. Bishnoi	0.09	-
Jyotin K. Mehta	0.05	-
Archana Hingorani	0.03	-
Desh Deepak Khetrapal	0.03	-
<b>Total compensation</b>	<b>5.05</b>	<b>4.06</b>

# The remuneration does not include the provisions made for gratuity and compensated absences, as they are not determinable since these are based on actuarial valuation on an overall company basis. Further, remuneration includes ₹ 0.32 (March 31, 2025: ₹ 0.30) towards contribution to provident fund and other funds. The remaining remuneration is in nature of short-term employment benefit expense.

**B) Transactions carried out with the related parties referred in (I) above, in ordinary course of business:**

Nature of transaction	Year ended March 31, 2026	Year ended March 31, 2025
<b>(i) Revenue from contract with customers</b>		
Sumil Trading Private Limited	0.34	-
MAF Technologies Private Limited	-	0.01
Shriaan Trading LLP	0.83	0.44
Pieflowtech Solutions Private Limited	0.01	-
Vrata Trading Private Limited	0.12	-
<b>(ii) Other Income - Utility / business service / air-conditioning charges and other receipts in respect of investment properties</b>		
NOCIL Limited	-	0.02
<b>(iii) Other income - Rental income</b>		
Sumil Trading Private Limited	0.07	0.05
Vrata Tech Solutions Private Limited	0.02	0.02
Indivar Foundation	0.06	0.05
Pieflowtech Solutions Private Limited	0.07	0.02
Vrata Trading Private Limited	0.07	0.02
Vrata Ecorenew Energy LLP	0.13	0.01
Mafatlal Apparel Exports Private Limited	*	-
<b>(iv) Other income - Dividend Income</b>		
NOCIL Limited	5.05	7.58


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

(All amounts in ₹ Crores, unless otherwise stated)

Nature of transaction	Year ended March 31, 2026	Year ended March 31, 2025
<b>(v) Lease rent paid</b>		
Sumil Trading Private Limited	-	0.19
<b>(vi) Purchase of goods / services</b>		
Shriaan Trading	0.43	-
Pieflowtech Solutions Private Limited	1.98	-
<b>(vii) Purchase of Property, plant and equipment / intangible assets</b>		
Vrata Tech Solutions Private Limited	1.06	0.09
Intensive Clothing Care Unit	-	0.85
<b>(viii) Other expenses</b>		
Mafatlal Services Limited (Miscellaneous expenses)	0.17	0.14
Vrata Tech Solutions Private Limited (Repairs and maintenance - others - software support services)	1.05	0.88
Vigil Juris (Other expenses)	-	0.08
Sumil Trading Private Limited (Miscellaneous expenses)	-	0.06
Shriaan Trading LLP (Miscellaneous expenses)	-	0.35
Pieflowtech Solutions Private Limited (Software support services)	1.33	0.45
N. M. Sadguru Water and Development Foundation (Expenditure on charity activities)	-	0.10
Sri Chaitanya Health and Care Trust (Expenditure on charity activities)	0.65	0.30
Gurukripa Trust (Expenditure for Royalty)	1.12	-
Jadeja & Satiya (Other expenses)	0.08	-
MAF Hospitality LLP (Other expenses)	0.35	-
<b>(ix) Contribution for Post employment benefit plan</b>		
The Mafatlal Gagalbhai & Sons and the associate concerns officer's superannuation scheme	0.41	0.35
Mafatlal Industries Limited Employee's Gratuity Fund	1.78	5.64
Mafatlal Industries Limited Employee's Provident Fund	2.07	2.12
<b>(x) Dividend Paid</b>		
H. A. Mafatlal	*	*
Priyavrata H. Mafatlal	*	*
NOCIL Limited	2.20	0.98
Sumil Trading Private Limited	6.10	2.71
Relatives of KMP	0.37	0.16
Entities in which KMP / relatives of KMP can exercise significant influence	2.59	1.15
<b>(xi) Investments</b>		
Pieflowtech Solutions Private Limited	-	0.60
Mafatlal Apparel Exports Private Limited (i.e. July 19, 2025)	0.51	-



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

(All amounts in ₹ Crores, unless otherwise stated)

**C) Outstanding balances with related parties referred in (I) above:**

Nature of transaction	As at March 31, 2026	As at March 31, 2025
<b>(i) Trade receivables:</b>		
Sumil Trading Private Limited	-	0.01
Vrata Tech Solutions Private Limited	*	-
Shriaan Trading LLP	0.20	0.31
Mafatlal Apparel Exports Private Limited	*	-
Vrata Trading Private Limited	0.12	-
<b>(ii) Trade payables:</b>		
Sumil Trading Private Limited	-	0.07
Mafatlal Services Limited	-	0.02
Vrata Tech Solutions Private Limited	0.28	0.07
Shriaan Trading LLP	-	0.14
<b>(iii) Investments in Related Parties</b>		
NOCIL Limited	387.98	441.78
Mafatlal Services Limited	0.28	0.28
Pieflowtech Solutions Private Limited	0.60	0.60
Mafatlal Apparel Exports Private Limited (i.e. July 19, 2025)	0.51	-
<b>(iv) Employee benefits payable</b>		
Priyavrata H. Mafatlal	1.00	0.72

\*Amount is below the rounding off norm adopted by the Company.

**Notes:**

- Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.
- Transactions were done in ordinary course of business and on normal terms and conditions.
- All outstanding balances are unsecured and receivable / payable in cash.

**Note 43 - Contingent liabilities**

Particulars	As at March 31, 2026	As at March 31, 2025
Income tax matters	27.28	27.28
Central excise, sales tax and related matters	2.40	2.40
Central excise, service tax and GST matters	32.25	32.60
Labour law matters	0.24	0.47
Director General of Foreign Trade matters	0.05	0.05
<b>Total</b>	<b>62.22</b>	<b>62.80</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 ₹ NIL (March 31, 2025: ₹ 26.97) for the period 2008-10 was raised by Brihanmumbai Mahanagarपालिका ('BMC') towards property taxes in respect of the properties owned by various owners for the respective floors with respect to increase in ratable value of Municipal taxes. The demand had been challenged by owners of various floors and during the financial year ended March 31, 2024, the concerned adjudicating



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

(All amounts in ₹ Crores, unless otherwise stated)

authority set aside the aforesaid demand which was challenged and revised the demand to ₹ 11.20, which was subsequently paid by the owners of the respective floors. During the year ended March 31, 2025, the Company has received the No Due Certificate with respect to these dues.

In case of Mafatlal Chambers:

A demand for ₹ NIL (March 31, 2025: ₹ 7.93) 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 matter was heard by BMC in the previous year and the said demand was struck off in full. During the financial year, the Company has received the No Due Certificate with respect to these dues.

- (b) 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. The aforementioned amounts under disputes are as per the demands from various authorities for the respective periods and has not been adjusted to include further interest and penalty leviable, if any.
- (c) The Company does not expect any reimbursement in respect of the above contingent liabilities.
- (d) 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.
- (e) 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, 2026	As at March 31, 2025
Property, Plant and equipment	2.80	1.84
Less: Capital advances (Refer Note 8)	(0.52)	(0.43)
Net capital commitments	2.28	1.41

**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.

**The Company has identified and reported the following business segments:**

- a) Textile and related products
- b) Digital infrastructure
- c) Consumer durables and others

**Segment revenue, expenses and results:**

The revenue and expenses which are directly attributable to any business segment are reported under each reportable segment. The revenue and expenses which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income, including income from investments and investment properties).



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

(All amounts in ₹ Crores, unless otherwise stated)

**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 can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

**(i) Operating segments based on nature of products**

Particulars	Year ended March 31, 2026				Year ended March 31, 2025			
	Textile and related products	Digital Infrastructure	Consumer Durables and others	Total	Textile and related products	Digital Infrastructure	Consumer Durables and others	Total
<b>Income</b>								
Segment Revenue	1,494.18	62.34	2,313.92	3,870.44	1,217.43	92.89	1,496.91	2,807.23
Other income	6.24	-	-	6.24	11.62	-	-	11.62
<b>Total Income</b>	<b>1,500.42</b>	<b>62.34</b>	<b>2,313.92</b>	<b>3,876.68</b>	<b>1,229.05</b>	<b>92.89</b>	<b>1,496.91</b>	<b>2,818.85</b>
<b>Expenses</b>								
Cost of materials consumed	151.56	-	-	151.56	138.24	-	-	138.24
Purchases of stock-in-trade	1,031.64	25.42	2,254.66	3,311.72	794.82	16.15	1,486.86	2,297.83
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(20.11)	0.01	13.26	(6.84)	(3.25)	-	(14.05)	(17.30)
Employee benefits expense	43.72	5.76	0.45	49.93	42.07	2.85	0.50	45.42
Depreciation and amortization expense	13.28	2.47	-	15.75	12.68	1.33	-	14.01
Other expenses	204.59	22.39	13.11	240.09	186.17	56.16	1.05	243.38
<b>Total Expenses</b>	<b>1,424.68</b>	<b>56.05</b>	<b>2,281.48</b>	<b>3,762.21</b>	<b>1,170.73</b>	<b>76.49</b>	<b>1,474.36</b>	<b>2,721.58</b>
<b>Segment Result</b>	<b>75.74</b>	<b>6.29</b>	<b>32.44</b>	<b>114.47</b>	<b>58.32</b>	<b>16.40</b>	<b>22.55</b>	<b>97.27</b>
Add / (Less):								
Unallocated income / (expense) (net)				(5.37)				(4.75)
Unallocated depreciation and amortization				(0.88)				(1.02)
Unallocable finance cost				(8.65)				(10.96)
<b>Profit before exceptional item and tax</b>				<b>99.57</b>				<b>80.54</b>
Exceptional Item (Refer note 35)				(2.87)				(6.00)
<b>Profit before tax</b>				<b>96.70</b>				<b>74.54</b>

Particulars	As at March 31, 2026				As at March 31, 2025			
	Textile and related products	Digital Infrastructure	Consumer Durables and others	Total	Textile and related products	Digital Infrastructure	Consumer Durables and others	Total
<b>Other Information:</b>								
Segment Assets	687.31	43.06	248.35	978.72	609.66	61.93	22.12	693.71
Unallocable assets #				771.27				696.50
<b>Total Assets</b>				<b>1,749.99</b>				<b>1,390.21</b>
Segment Liabilities	548.20	3.85	336.84	888.89	417.95	9.73	127.07	554.75
Unallocable liabilities								
Borrowings				60.77				68.29
Others				27.38				25.80
<b>Total Liabilities</b>				<b>977.04</b>				<b>648.84</b>

# Unallocable assets are majorly pertaining to investments.



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

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	As at March 31, 2026				As at March 31, 2025			
	Textile and related products	Digital Infrastructure	Consumer Durables and others	Total	Textile and related products	Digital Infrastructure	Consumer Durables and others	Total
<b>Capital Expenditure:</b>								
Segment capital expenditure	22.49	2.20	-	24.69	8.20	3.72	-	11.92
Unallocated capital expenditure				0.33				0.17
<b>Total capital expenditure</b>				<b>25.02</b>				<b>12.09</b>
<b>Depreciation and Amortization:</b>								
Segment depreciation and amortization	13.28	2.47	-	15.75	12.68	1.33	-	14.01
Unallocated depreciation and amortization				0.88				1.02
<b>Total depreciation and amortization</b>				<b>16.63</b>				<b>15.03</b>
<b>Significant non-cash expenditure (other than depreciation and amortization):</b>								
Segment significant non-cash expenditure	19.93	-	-	19.93	4.31	-	-	4.31
Unallocated significant non-cash expenditure				-				-
<b>Total significant non-cash expenditure (other than depreciation and amortization)</b>				<b>19.93</b>				<b>4.31</b>

**(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, 2026	Year ended March 31, 2025
India	3,839.60	2,774.96
Asia (Excluding India)	30.21	31.85
Others	0.63	0.42
<b>Total</b>	<b>3,870.44</b>	<b>2,807.23</b>

**Segment Assets**

**Non-current assets excluding financial assets, deferred tax assets and income tax assets (based on area of non-current assets):**

Particulars	As at March 31, 2026	As at March 31, 2025
India	96.79	86.43
Asia (Excluding India)	-	-
Others	-	-
<b>Total</b>	<b>96.79</b>	<b>86.43</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

**The Company has revenue of more than 10% from the following customers:**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Maharashtra Building and other construction workers welfare board	2,201.75	1,439.65
The Directorate of Food and Consumer Affairs, Jharkhand *	420.38	-

\* During the previous year revenue from the customer does not qualify for disclosure under Ind AS 108

**Note 46 - Earnings per share**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Basic Earnings Per Share</b>		
Profit for the year as per the Standalone Statement of Profit and Loss	91.07	98.14
Weighted average number of shares for the purposes of basic earnings per share (in numbers)	7,20,50,196	7,18,25,827
<b>Basic Earnings Per Share (in ₹)</b>	<b>12.64</b>	<b>13.66</b>
<b>Diluted Earnings Per Share</b>		
Profit for the year as per the Standalone Statement of Profit and Loss	91.07	98.14
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share (in numbers)	7,22,00,024	7,21,82,981
<b>Diluted Earnings Per Share (in ₹)</b>	<b>12.61</b>	<b>13.59</b>
<b>Weighted average number of shares used as the denominator (in absolute numbers)</b>		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	7,20,50,196	7,18,25,827
Adjustment for calculation of diluted earning per share:		
Employees stock option [Refer Note below]	1,49,828	3,57,154
Weighted average number of shares used as the denominator for calculating diluted earnings per share	7,22,00,024	7,21,82,981

**Note - 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 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(B)(iii)].

**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.


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

(All amounts in ₹ Crores, unless otherwise stated)

**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 that represent unamortized 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, 2026	As at March 31, 2025
Opening balance	0.41	0.95
Grants during the year	0.89	-
Less: Released to Standalone Statement of Profit and Loss (Refer Note 28)	(0.41)	(0.54)
<b>Closing balance</b>	<b>0.89</b>	<b>0.41</b>

Description	As at March 31, 2026	As at March 31, 2025
Current portion (Refer Note 24)	0.11	0.41
Non-current portion (Refer Note 20)	0.78	-
<b>Total</b>	<b>0.89</b>	<b>0.41</b>

**Note 48(a) - Assets pledged as security**

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Current</b>		
<b>Financial assets</b>		
Trade receivables	710.39	479.38
Deposits with banks	7.24	5.85
Other financial assets	10.25	9.84
<b>Non-financial assets</b>		
Inventories	105.61	97.29
<b>Total Current assets pledged as security</b>	<b>833.49</b>	<b>592.36</b>
<b>Non-current</b>		
<b>Financial assets</b>		
Trade receivables	0.44	0.80
Investments	93.23	82.63
Deposit with bank	-	0.83
<b>Non-financial assets</b>		
Land	0.05	0.05
Building	16.13	16.95
Plant and equipment	8.30	2.91
Investment properties	0.02	0.03
Vehicles	1.15	2.03
<b>Total non-current assets pledged as security</b>	<b>119.32</b>	<b>106.23</b>
<b>Total assets pledged as security</b>	<b>952.81</b>	<b>698.59</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

**Note 48(b) - Net debt reconciliation**

Particulars	As at March 31, 2026	As at March 31, 2025
Current borrowings (excluding current maturities of long-term debt)	(21.38)	(32.61)
Non-current borrowings	(33.12)	(22.54)
Current maturities of long term debt (including accrued interest)	(6.27)	(13.14)
Lease liabilities	(2.39)	(1.84)
<b>Total debt</b>	<b>(63.16)</b>	<b>(70.13)</b>
Cash and cash equivalents	123.73	51.17
<b>Net debt</b>	<b>60.57</b>	<b>(18.96)</b>

Particulars	Other assets	Liabilities from financing activities			Total
	Cash and cash equivalents	Non-current borrowings including current maturity and accrued interest	Current borrowings	Lease Liability	
<b>Net debt as at April 01, 2025</b>	<b>51.17</b>	<b>(35.68)</b>	<b>(32.61)</b>	<b>(1.84)</b>	<b>(18.96)</b>
Cash flows	72.56	(3.99)	11.71	0.97	81.25
Interest expense	-	(3.77)	(0.41)	(0.29)	(4.47)
Interest paid	-	3.56	0.41	0.29	4.26
Non cash movements for acquisitions and disposals	-	-	-	(1.51)	(1.51)
<b>Net debt as at March 31, 2026</b>	<b>123.73</b>	<b>(39.88)</b>	<b>(20.90)</b>	<b>(2.38)</b>	<b>60.57</b>
<b>Net debt as at April 01, 2024</b>	<b>182.24</b>	<b>(44.25)</b>	<b>(37.42)</b>	<b>(0.46)</b>	<b>100.11</b>
Cash flows	(131.07)	8.53	4.81	0.56	(117.17)
Interest expense	-	(3.73)	(2.05)	(0.15)	(5.93)
Interest paid	-	3.77	2.05	0.15	5.97
Non cash movements for acquisitions and disposals	-	-	-	(1.94)	(1.94)
<b>Net debt as at March 31, 2025</b>	<b>51.17</b>	<b>(35.68)</b>	<b>(32.61)</b>	<b>(1.84)</b>	<b>(18.96)</b>

**Note - 49**

- (a) (i) On September 11, 2024 the Board of Directors of the Company approved a strategic investment of ₹ 0.60 in Pieflowtech Solutions Private Limited (PSPL), a Subsidiary company representing 60% of the paid-up share capital of PSPL.
- (ii) On July 19, 2025 the Board of Directors of the Company approved a strategic investment of ₹ 0.51 in Mafatlal Apparel Exports Private Limited (MAEPL), a Subsidiary company representing 51% of the paid-up share capital of MAEPL.
- (b) The Board of Directors of the Company at its meeting held on November 14, 2022, approved the scheme of reduction and reorganization of capital ('Scheme') pursuant to the provisions of Section 230 and other applicable provisions of the Companies Act, 2013 which was also subsequently approved by the shareholders and creditors of the Company with Appointed Date as mentioned in the Scheme as April 01, 2022. The National Company Law



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

(All amounts in ₹ Crores, unless otherwise stated)

Tribunal, Ahmedabad ('NCLT'), vide its order dated April 29, 2024 (the 'NCLT order') had approved the Scheme with the Appointed Date / Effective Date as March 31, 2024, in respect of which the Company had filed an interlocutory application on May 06, 2024 seeking modification with a plea to reinstate the Appointed date as April 01, 2022, in accordance with the Scheme filed on October 10, 2023. Accordingly, no accounting effect was given in the financial statements for the financial year ended March 31, 2024, which was further supported by a legal opinion obtained by the Company. The aforesaid interlocutory application was heard by the NCLT on June 13, 2024, where the Company additionally filed further application seeking change in Appointed Date to March 31, 2023. The NCLT vide its order dated June 27, 2024, allowed Appointed date as March 31, 2023. Accordingly, the Company has given the accounting effect to the reserves and surplus balances during the financial year ended March 31, 2025. (Refer Note 17)

**Note - 50**

- (i) As legally advised, the Company has not recognized as income recovery of rent and other charges of ₹ 0.84 upto March 31, 2026 (₹ 0.84 upto March 31, 2025) 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 ₹ 5.78 and ₹ 2.84 was (towards interest accrued) 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 ₹ 5.78 and ₹ 2.84 has been included in other non-current financial liabilities (Refer Note 19).
- (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 activity of 10,000 spindles and the developer is required to construct and handover the same to the Company in accordance with the development laws, regulations and notification, this matter is subjudice.
- (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, in SSL for every 500 shares of ₹ 100/- each, fully paid-up, held in the Company as consideration for the demerger, aggregating to ₹ 0.01. As the shareholders of the Company would be entitled to receive only fractional shares of SSL, the rehabilitation scheme sanctioned by Board for Industrial and Financial Reconstruction (BIFR) envisages that these shares would be acquired by Navin Fluorine International Limited (NFIL) and the shareholders of the Company would receive proportionate payment in consideration thereof. The Company has received the said amount of ₹ 0.01 from NFIL on behalf of the shareholders, which is pending disbursement upon completion of formalities.

**Note 51 - Details of Research and Development**

Details of research and development expenditure recognized as expense:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Employee benefits expense	1.00	0.95
Consumables	0.10	0.08
Repairs and Maintenance	0.11	0.06
<b>Total</b>	<b>1.21</b>	<b>1.09</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

**Note 52 - Financial ratios**

The ratios for the years ended March 31, 2026 and March 31, 2025 are as follows:

Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025	Variance	Reason for variance (if more than 25%)
Current Ratio (times)	Total current assets	Total current liabilities	1.25	1.27	(1.57%)	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	0.08	0.09	(11.11%)	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 - deferred tax credit)	Debt service (Finance cost paid and principal repayment of lease liabilities and borrowings)	3.09	4.41	(29.93%)	The change in ratio is due to the impact of deferred tax adjustments on profit after tax and higher debt repayment during the year.
Return on equity ratio (%)	Profit for the year	Average shareholders' equity	12.03%	12.61%	(4.65%)	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	38.15	31.68	20.42%	Not applicable as the variance is less than 25% as compared to the previous financial year.
Trade receivables turnover ratio (times)	Revenue from operations (excluding export incentives)	Average trade receivables	6.50	5.01	29.74%	The ratio has improved due to increase in turnover and enhanced collection efficiency, indicating effective working capital management.
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	6.40	4.45	43.82%	The ratio has improved due to increase in procurement and improved payment efficiency, resulting in effective working capital management.
Net capital turnover ratio (times)	Revenue from operations	Working capital (current assets - current liabilities)	16.76	17.08	(1.87%)	Not applicable as the variance is less than 25% as compared to the previous financial year.
Net profit ratio (%)	Profit for the year	Revenue from operations	2.35%	3.50%	(32.69%)	The ratio has decreased due to a change in the revenue mix with different margins across segments.
Return on capital employed (%)	Earnings before interest, tax and exceptional item	Capital employed = Tangible net worth (shareholder's equity) + borrowings + lease liabilities	12.60%	11.28%	11.74%	Not applicable as the variance is less than 25% as compared to the previous financial year.
Return on investment (money market investments) (%)	Earnings from money market investments	Average funds invested	5.30%	6.36%	(16.68%)	Not applicable as the variance is less than 25% as compared to the previous financial year.



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

(All amounts in ₹ Crores, unless otherwise stated)

**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**

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.

**(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.

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

(All amounts in ₹ Crores, unless otherwise stated)

**(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 - Events occurring after reporting period**

Refer Note 17(a) for the final dividend recommended by the Board of Directors which is subject to the approval of shareholders in the ensuing annual general meeting.

**Note 55** - The Standalone Financial Statements were authorized for issue by the Board of Directors on May 05, 2026.

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

**In terms of our report attached**

**For Price Waterhouse Chartered Accountants LLP**

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

Firm Registration No. 012754N / N500016

**Pankaj Khandelvia**

Partner

Membership No.: 102022

Place: Mumbai

Date: May 05, 2026

**H. A. Mafatlal**

Chairman

(DIN: 00009872)

Place: Mumbai

Date: May 05, 2026

**P. H. Mafatlal**

Managing Director

(DIN: 02433237)

Place: Mumbai

Date: May 05, 2026

**Smita Jhanwar**

Chief Financial Officer

(Membership No.: ACS20622)

Place: Mumbai

Date: May 05, 2026

**A. P. Shah**

Company Secretary

(Membership No.: ACS20622)

Place: Mumbai

Date: May 05, 2026



# 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 50 to the consolidated financial statements, which comprise the Consolidated Balance Sheet as at March 31, 2026, and 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 material accounting policy information 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, 2026, and 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 is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matter

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
<p><b>Assesment of recoverability of deferred tax assets:</b></p> <p>Refer Note 36(e) to the consolidated financial statements.</p> <p>The Company has recognised Deferred Tax Assets ('DTA') on temporary differences including accumulated losses 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 ₹ 63.32 crores as at March 31, 2026.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Evaluation of the design and testing operating effectiveness of Company's controls relating to the assessment of carrying amount of DTA.</li> <li>• Assessed the appropriateness of the Company's accounting policy in respect of recognizing DTA on temporary differences including accumulated losses and unabsorbed depreciation.</li> <li>• Obtained the future taxable profit projections prepared by the management and assessed the reasonableness of the assumptions used in such preparation and compared actual results to management's historical forecasts.</li> </ul>



## Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
We considered this a key audit matter because significant judgement is required by the Company in determining the recoverability of DTA recognised as the realisation of tax benefits is dependent on future taxable profits and there are inherent uncertainties involved in forecasting such profits.	<ul style="list-style-type: none"> <li>• Verified the mathematical accuracy of the calculations underlying the profit projections.</li> <li>• Assessed the appropriateness of tax rate applied to the future taxable profits.</li> <li>• Evaluated whether the taxable temporary differences, on which DTA 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.</li> <li>• Assessed the adequacy of disclosures made in the consolidated financial statements with regard to deferred taxes.</li> </ul>

**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. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information 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 material misstatements 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 Indian 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 Board of 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



## Independent Auditor's Report (Contd.)

responsible for assessing the ability of the respective companies 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 respective companies 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 respective companies.

### **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 scepticism 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 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 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



## Independent Auditor's Report (Contd.)

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 consolidated 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 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.
  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 Matter

14. We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of ₹ 2.18 crore and net assets of ₹ (0.17) crore as at March 31, 2026, total revenue of ₹ 4.10 crore, total comprehensive loss (comprising of loss and other comprehensive income) of ₹ 2.00 crore and net cash flows amounting to ₹ 0.20 crore for the year ended on that date, as considered in the consolidated financial statements. The financial statements of these subsidiaries have been audited by other auditors whose reports have been furnished to us by the Holding Company's management. Our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries 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 subsidiaries, is based solely on the reports of the other auditors furnished to us by the Holding Company's management. In our opinion and according to the information and explanations given to us by the management, these financial statements 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 reports of the other auditors.



Independent Auditor's Report (Contd.)

**Report on Other Legal and Regulatory Requirements**

15. 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 in the CARO 2020 report issued by us in respect of the standalone financial statements of the Holding Company and by the other auditors of the subsidiaries in their CARO 2020 reports on the financial statements of those companies included in these Consolidated Financial Statements, except that the auditors of the following companies have reported qualifications or adverse remarks in their CARO 2020 reports on the financial statements of the respective companies:

Sr. No.	Name of the Company	CIN	Relationship with the Holding Company	Clause number of the CARO report which contains the qualification or adverse remarks
1.	Mafatlal Apparel Exports Private Limited	U47820GJ2025PTC165267	Subsidiary	Clause (xvii) The Company has incurred cash losses during the reporting period amounting to ₹ 10,889.12 (Amt in Thousands).
2.	Pieflowtech Solutions Private Limited	U62090GJ2024PTC155848	Subsidiary	Clause (xvii) The Company has incurred cash losses during the reporting period amounting to ₹ 4,638.19 (Amt in Thousands).

16. 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 reports of the other auditors except for the matters stated in paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- (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 Indian 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 March 31, 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries incorporated in India whose audit under Section 143 of the Act has been completed, none of the directors of the Group companies is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 16(b) above and paragraph 16(h)(vi) below.



## Independent Auditor's Report (Contd.)

- (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 of pending litigations on the consolidated financial position of the Group— Refer Note 43 to the consolidated financial statements.
  - ii. The Group was not required to recognise a provision as at March 31, 2026 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 long term derivative contracts as at March 31, 2026.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries incorporated in India during the year ended March 31, 2026.
  - iv. (a) The respective managements of the Holding Company and its subsidiaries 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 subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in Note 55 to the consolidated financial statements, 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 Holding Company or any of such subsidiaries 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 Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The respective managements of the Holding Company and its subsidiaries 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 subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the Note 55 to the financial statements, no funds have been received by the Holding Company or any of such subsidiaries from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries 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.



## Independent Auditor's Report (Contd.)

- (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 subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' 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 interim dividend declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act to the extent it applies to declaration and payment of interim dividend.

The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

Further, as stated in Note 17(a) to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Based on our examination, which included test checks, the Holding

Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained in case if any modification is done by certain users with specific access, for certain records and the audit trail is not maintained for direct database changes. During the course of performing our procedures, other than the aforesaid instances of audit trail not maintained where the question of our commenting does not arise, we did not notice any instance of audit trail feature being tampered with. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Company as per the statutory requirements for record retention.

17. The Group have 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: 26102022LNQONX8484

Place: Mumbai

Date: May 05, 2026



## ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

*Referred to in paragraph 16(g) of the Independent Auditor's Report of even date to the members of Mafatlal Industries Limited on the consolidated financial statements as of and for the year ended March 31, 2026*

### **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, 2026, 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 subsidiaries, 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, its subsidiaries, 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 consolidated 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 specified 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 reports referred to in the 'Other Matter' paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system with reference to consolidated financial statements.



## Annexure A to Independent Auditor's Report (Contd.)

### Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated 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 consolidated 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 consolidated 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 consolidated consolidated 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 subsidiaries, 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, 2026, 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 Matter

9. Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to three subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies 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: 26102022LNQONX8484

Place: Mumbai

Date: May 05, 2026



# CONSOLIDATED BALANCE SHEET

as at March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3(a)	75.73	74.72
Right-of-use assets	3(b)(i)	2.55	1.74
Capital work-in-progress	3(a)	9.88	0.44
Investment properties	4	1.91	2.00
Intangible assets	5	5.95	6.31
Financial assets			
i. Other investments	6(A),(B),(C)	389.49	443.39
ii. Trade receivables	10	0.44	0.80
iii. Other financial assets	7	12.35	4.91
Deferred tax assets (net)	36(e)	63.32	59.69
Other non-current assets	8	1.98	1.89
Current tax assets (net)	36(g)	27.92	19.76
<b>Total non-current assets</b>		<b>591.52</b>	<b>615.65</b>
<b>Current assets</b>			
Inventories	9	105.61	97.29
Financial assets			
i. Trade receivables	10	710.22	479.43
ii. Cash and cash equivalents	11	123.94	51.19
iii. Bank balances other than (ii) above	12	134.58	111.10
iv. Loans	13	0.50	0.01
v. Other financial assets	14	10.49	10.02
Other current assets	15	50.05	25.62
Current tax assets (net)	36(g)	23.24	-
<b>Total current assets</b>		<b>1,158.63</b>	<b>774.66</b>
<b>TOTAL ASSETS</b>		<b>1,750.15</b>	<b>1,390.31</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	14.43	14.38
<b>Other equity</b>			
i. Reserves and surplus	17	386.89	311.92
ii. Other reserves	17	370.23	414.76
<b>Equity attributable to owners of Mafatlal Industries Limited</b>		<b>771.55</b>	<b>741.06</b>
Non Controlling Interest	50(b)	(0.09)	0.33
<b>Total equity</b>		<b>771.46</b>	<b>741.39</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	18	33.12	22.54
ii. Lease liabilities	3(b)(ii)	1.00	0.98
iii. Other financial liabilities	19	13.90	13.84
Other non-current liabilities	20(a)	1.43	1.49
Provisions	20(b)	0.43	-
<b>Total non-current liabilities</b>		<b>49.88</b>	<b>38.85</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	21	27.65	45.75
ii. Trade payables			
- total outstanding dues of micro enterprises and small enterprises; and	22	11.49	9.12
- total outstanding dues of creditors other than micro enterprises and small enterprises	22	703.00	434.17
iii. Lease liabilities	3(b)(ii)	1.80	0.86
iv. Other financial liabilities	23	154.40	98.51
Other current liabilities	24	17.62	11.92
Provisions	25	12.85	9.74
<b>Total current liabilities</b>		<b>928.81</b>	<b>610.07</b>
<b>Total liabilities</b>		<b>978.69</b>	<b>648.92</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,750.15</b>	<b>1,390.31</b>

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**  
Partner  
Membership No.: 102022

**H. A. Mafatlal**  
Chairman  
(DIN: 00009872)

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

**Smita Jhanwar**  
Chief Financial Officer  
Place: Mumbai  
Date: May 05, 2026

**A. P. Shah**  
Company Secretary  
(Membership No.: ACS20622)

Place: Mumbai  
Date: May 05, 2026

Place: Mumbai  
Date: May 05, 2026

Place: Mumbai  
Date: May 05, 2026

Place: Mumbai  
Date: May 05, 2026

Place: Mumbai  
Date: May 05, 2026



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Note	Year ended March 31, 2026	Year ended March 31, 2025
<b>INCOME</b>			
Revenue from operations	27	3,871.07	2,807.47
Other income	28	30.48	34.33
Other gains (net)	29	1.19	3.73
<b>Total income</b>		<b>3,902.74</b>	<b>2,845.53</b>
<b>EXPENSES</b>			
Cost of materials consumed		151.56	138.24
Purchases of stock-in-trade		3,311.72	2,297.83
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(6.84)	(17.30)
Employee benefits expense	31	63.56	59.61
Finance costs	32	8.70	10.96
Depreciation and amortization expense	33	16.97	15.07
Net impairment loss on financial assets	10,39	18.67	4.31
Other expenses	34	240.83	256.48
<b>Total expenses</b>		<b>3,805.17</b>	<b>2,765.20</b>
<b>Profit before exceptional item and tax</b>		<b>97.57</b>	<b>80.33</b>
Exceptional item	35	(2.87)	(6.00)
<b>Profit before tax</b>		<b>94.70</b>	<b>74.33</b>
Tax expense			
- Current Tax	36(a)	-	-
- Deferred tax charge / (credit)	36(a)	5.63	(23.60)
<b>Total tax expense</b>		<b>5.63</b>	<b>(23.60)</b>
<b>Profit for the year</b>		<b>89.07</b>	<b>97.93</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that will not be reclassified to profit or loss</i>			
- Changes in fair value of FVOCI equity instruments	17	(53.79)	(187.95)
- Remeasurements of post-employment benefit obligations charge	41	(0.11)	(0.81)
- Less: Income tax (credit) / charge	36(a)	(9.26)	(21.16)
<b>Total Other Comprehensive Income for the year</b>		<b>(44.64)</b>	<b>(167.60)</b>
<b>Total Comprehensive Income / (Loss) for the year</b>		<b>44.43</b>	<b>(69.67)</b>
<b>Profit is attributable to:</b>			
Owners of Mafatlal Industries Limited		89.98	98.01
Non Controlling Interest		(0.91)	(0.08)
		<b>89.07</b>	<b>97.93</b>
<b>Other Comprehensive Income is attributable to:</b>			
Owners of Mafatlal Industries Limited		(44.64)	(167.60)
Non Controlling Interest		-	-
		<b>(44.64)</b>	<b>(167.60)</b>
<b>Total Comprehensive Income / (Loss) is attributable to:</b>			
Owners of Mafatlal Industries Limited		45.34	(69.59)
Non Controlling Interest		(0.91)	(0.08)
		<b>44.43</b>	<b>(69.67)</b>
<b>Earnings per equity share of ₹ 2/- each</b>			
Basic (₹)	46	12.49	13.65
Diluted (₹)		12.46	13.58

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

In terms of our report attached

For Price Waterhouse Chartered Accountants LLP For and on behalf of the Board of Directors  
Firm Registration No. 012754N / N500016

**Pankaj Khandelia**  
Partner  
Membership No.: 102022

**H. A. Mafatlal**  
Chairman  
(DIN: 00009872)

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

**Smita Jhanwar**  
Chief Financial Officer

**A. P. Shah**  
Company Secretary  
(Membership No.: ACS20622)

Place: Mumbai  
Date: May 05, 2026

Place: Mumbai  
Date: May 05, 2026

Place: Mumbai  
Date: May 05, 2026

Place: Mumbai  
Date: May 05, 2026

Place: Mumbai  
Date: May 05, 2026



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

## A. Equity share capital

Description	Notes	Total
<b>As at April 01, 2024</b>		<b>14.30</b>
Changes in equity share capital during the year	16	0.08
<b>As at March 31, 2025</b>		<b>14.38</b>
Changes in equity share capital during the year	16	0.05
<b>As at March 31, 2026</b>		<b>14.43</b>

## B. Other equity

Particulars	Attributable to owners of Mafatlal Industries Limited										Total Other Equity Attributable to Owners	Non Controlling Interest		
	Securities Premium Reserve	Retained Earnings	Capital Reserve No. 1	Capital Reserve No. 2	Reserve on Amalgamation	General Reserve	Capital Redemption Reserve	Capital Investment Reserve	Share-based payments reserve	Export Profit Reserve			Other Reserves FVOCI - Equity instruments	
<b>As at April 01, 2024</b>	181.48	(92.71)	0.61	0.35	36.34	6.20	83.83	0.76	0.02	1.35	0.20	581.65	800.08	0.01
Profit / (Loss) for the year	-	96.01	-	-	-	-	-	-	-	-	-	-	96.01	(0.08)
Other comprehensive income	-	(0.81)	-	-	-	-	-	-	-	-	-	(166.79)	(167.60)	-
<b>Total comprehensive income</b>	-	<b>97.20</b>	-	-	-	-	-	-	-	-	-	<b>(166.79)</b>	<b>(69.59)</b>	<b>(0.08)</b>
Employee share-based payment expense	-	-	-	-	-	-	-	-	-	2.01	-	-	2.01	-
Transfer from Share-based payments reserve due to forfeiture and lapse of options	-	0.39	-	-	-	-	-	-	-	(0.39)	-	-	-	-
Transfer of gain on FVOCI Equity Instruments to Retained Earnings	-	0.10	-	-	-	-	-	-	-	-	-	(0.10)	-	-
Employee share options exercised	1.92	-	-	-	-	-	-	-	-	(0.55)	-	-	1.37	-
Dividend paid during the year (Refer Note 17(a))	-	(7.19)	-	-	-	-	-	-	-	-	-	-	(7.19)	-
Accounting effect of NCLT order (Refer Note 49(b))	(69.12)	190.25	(0.61)	(0.35)	(36.34)	-	(83.83)	-	-	-	-	-	-	-
Addition (Refer Note 50)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2025</b>	<b>114.28</b>	<b>188.04</b>	-	-	-	<b>6.20</b>	-	<b>0.76</b>	<b>0.02</b>	<b>2.42</b>	<b>0.20</b>	<b>414.76</b>	<b>726.68</b>	<b>0.33</b>
Profit / (Loss) for the year	-	89.98	-	-	-	-	-	-	-	-	-	(44.53)	89.98	(0.91)
Other comprehensive income	-	(0.11)	-	-	-	-	-	-	-	-	-	(44.53)	(44.64)	-
<b>Total comprehensive income</b>	-	<b>89.87</b>	-	-	-	-	-	-	-	-	-	<b>(44.53)</b>	<b>45.34</b>	<b>(0.91)</b>
Employee share-based payment expense	-	-	-	-	-	-	-	-	-	0.37	-	-	0.37	-
Transfer from Share-based payments reserve due to forfeiture and lapse of options	-	0.46	-	-	-	-	-	-	-	(0.46)	-	-	-	-
Employee share options exercised	1.32	-	-	-	-	-	-	-	-	(0.39)	-	-	0.93	-
Dividend paid during the year (Refer Note 17(a))	-	(16.20)	-	-	-	-	-	-	-	-	-	-	(16.20)	-
Addition (Refer Note 50)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2026</b>	<b>115.60</b>	<b>262.17</b>	-	-	-	<b>6.20</b>	-	<b>0.76</b>	<b>0.02</b>	<b>1.94</b>	<b>0.20</b>	<b>370.23</b>	<b>757.12</b>	<b>(0.09)</b>

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 No.: 102022

Place: Mumbai  
Date: May 05, 2026

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

Place: Mumbai  
Date: May 05, 2026

**Smita Jhanwar**  
Chief Financial Officer

Place: Mumbai  
Date: May 05, 2026

**A. P. Shah**  
Company Secretary  
(Membership No.: ACS20622)

Place: Mumbai  
Date: May 05, 2026

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

**H. A. Mafatlal**  
Chairman  
(DIN: 00009872)

Place: Mumbai  
Date: May 05, 2026

**Smita Jhanwar**  
Chief Financial Officer

Place: Mumbai  
Date: May 05, 2026



# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>A. Cash flows from operating activities</b>		
<b>Profit before tax</b>	94.70	74.33
Adjustments for:		
Employee share-based payment expense	0.37	2.01
Depreciation and amortization expense	16.97	15.07
Finance costs	8.70	10.96
Net gain on disposal of property, plant and equipment	(0.30)	(3.27)
Net gain on sale of investments	(0.70)	(0.08)
Interest income	(9.96)	(8.84)
Apportioned income from Government grants	(0.41)	(0.54)
Dividend income from equity investments designated at fair value through other comprehensive income	(5.07)	(7.60)
Rental income from investment properties	(4.51)	(4.19)
Bad debts written off	6.88	0.85
Security deposits written off	1.62	-
Loss allowance on trade receivables	11.79	3.46
Loss allowance on security deposits	(0.36)	0.87
Net unrealized exchange gain	-	(0.38)
<b>Operating profit before working capital changes</b>	<b>119.72</b>	<b>82.65</b>
<b>Changes in working capital</b>		
Adjustments for:		
Increase in inventories	(8.32)	(17.36)
(Increase) / decrease in trade and other receivables	(275.70)	180.40
Increase / (decrease) in trade and other payables	332.91	(327.98)
Increase / (decrease) in provisions	3.43	(3.30)
	<b>52.32</b>	<b>(168.24)</b>
<b>Cash generated / (used in) from operations</b>	<b>172.04</b>	<b>(85.59)</b>
Direct taxes (paid) / refund (net)	(31.40)	1.73
<b>Net cash inflow / (outflow) from operating activities (A)</b>	<b>140.64</b>	<b>(83.86)</b>
<b>B. Cash flows from investing activities</b>		
Payments for property, plant and equipment and intangible assets	(25.91)	(13.21)
Payments for purchase of investments	(0.05)	(289.89)
Proceeds from sale of property, plant and equipment	1.25	3.33
Proceeds from sale of investments	0.76	290.09
Term deposits placed with banks (net of matured)	(30.97)	(26.99)
Interest income received	9.96	7.92
Dividend received from equity investments designated at fair value through other comprehensive income	5.07	7.60
Rental income from investment properties	4.51	4.19
<b>Net cash outflow from investing activities (B)</b>	<b>(35.38)</b>	<b>(16.96)</b>

**Consolidated Statement of Cash Flows (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>C. Cash flows from financing activities</b>		
Proceeds from issues of equity shares	0.98	1.45
Proceeds from issues of equity shares to Non-controlling interest shareholders	0.49	0.40
Dividend paid	(16.20)	(7.19)
Non-current borrowings taken	18.25	8.63
Non-current borrowings repaid	(14.26)	(17.16)
Current borrowings repaid (net of taken)	(11.71)	(4.81)
Principal element of lease payment	(1.07)	(0.56)
Interest paid on lease liabilities	(0.34)	(0.15)
Interest paid (including other finance costs)	(8.65)	(10.85)
<b>Net cash outflow from financing activities (C)</b>	<b>(32.51)</b>	<b>(30.24)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>72.75</b>	<b>(131.06)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>51.19</b>	<b>182.25</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>123.94</b>	<b>51.19</b>

**Reconciliation of cash and cash equivalents as per the Consolidated Statement of Cash Flows****Components of cash and cash equivalents (Refer Note 11)**

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on hand	0.02	0.03
Balances with banks:		
(i) In Current accounts	49.85	4.30
(ii) In Deposit accounts with original maturity of less than 3 months	74.07	46.86
	<b>123.94</b>	<b>51.19</b>

**Non-cash investing activities**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Acquisition of right-of-use assets (net)	(2.02)	(1.94)

**Note:**

The above Consolidated 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** For and on behalf of the Board of Directors  
Firm Registration No. 012754N / N500016

**Pankaj Khandelia**  
Partner  
Membership No.: 102022

Place: Mumbai  
Date: May 05, 2026

**H. A. Mafatlal**  
Chairman  
(DIN: 00009872)

Place: Mumbai  
Date: May 05, 2026

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

Place: Mumbai  
Date: May 05, 2026

**Smita Jhanwar**  
Chief Financial Officer

Place: Mumbai  
Date: May 05, 2026

**A. P. Shah**  
Company Secretary  
(Membership No.: ACS20622)

Place: Mumbai  
Date: May 05, 2026



# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2026

## 1. Background

Mafatlal Industries Limited (the "Company") is a public limited Company incorporated in India, with its registered office located in Ahmedabad, Gujarat. The equity shares of the Company are listed on the Bombay Stock Exchange. The Company is part of the reputed Arvind Mafatlal Group founded in 1905. The Company is primarily engaged in textile manufacturing, having its manufacturing unit situated at Nadiad, Gujarat. In addition, it is involved into asset light business model of textile and its related products, digital infrastructure and consumer durable products and others. The Company and its subsidiaries, Mafatlal Services Limited, Pieflowtech Solutions Private Limited (w.e.f. October 18, 2024) and Mafatlal Apparel Exports Private Limited (w.e.f. July 19, 2025) are together referred to as the "Group".

## 2A Material accounting policies

This note provides a list of the material 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.

### i. Basis of Preparation

#### (a) 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.

#### (b) Historical cost convention

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

- Certain financial assets and liabilities 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

#### (c) New and amended standards adopted by the Group

The Ministry of Corporate Affairs vide notification dated May 07, 2025 and August 13, 2025 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which amended / notified certain accounting standards (see below), and are effective for annual reporting period on or after April 01, 2025:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities as per with Covenants – Amendments to Ind AS 1
- Supplier Finance Arrangements – Amendments to Ind AS 7 and Ind AS 107
- International Tax Reform – Pillar Two Model Rules – Amendments to Ind AS 12
- Lack of Exchangeability – Amendments to Ind AS 21

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

#### (d) 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



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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.

### ii. 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.

### iii. 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 obligations 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 goods and services tax, sales tax, value added 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.

Revenue in respect of fixed price contracts, is recognized when the customer pays the fixed amount based on a payment schedule or on achievement of performance obligations-based milestone model whichever is applicable. In the case of fixed-price contracts, if the services rendered by the Company exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

### iv. Property, plant and equipment:

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.



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

**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

Leasehold land presented under Right-of-Use Assets.

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.

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 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.

Refer note 2B (v) in other accounting policies below relevant to Property, plant and equipment.

**v. Intangible assets**

Computer software includes enterprise resource planning project, business application related software, 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 to 5 years using straight-line method.

Refer note 2B (vii) in other accounting policies below relevant to Intangible assets.

**vi. 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.

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.

Refer note 2B (viii) in other accounting policies below relevant to Investment properties.

**vii. 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 fair value less cost of disposal. 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.

**viii. 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.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**ix. 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 Group. Items such as spare parts, stand-by equipment and servicing equipment which is not plant and machinery gets classified as inventory.

**x. Investments and other financial assets***(a) 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 that are not held for trading, 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.

*(b) 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

**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.



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

**Investments in subsidiary companies:**

Investments in subsidiary companies 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, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

(c) *Impairment of financial assets*

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost (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.

The Group's assessment is that credit risk in relation to sales made to government customers or sub-contractors to government is extremely low as the probability of default is insignificant.

For all non-government customers, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix by taking into consideration payment profiles over a period of 36 months before the reporting date and the corresponding historical credit loss experience within this period. The historical loss rates are adjusted to reflect the current and forward looking information on macro economic factors affecting the ability of customers to settle receivables. The expected credit loss is based

on aging of days, the receivables due and the expected credit loss rate. Further, the Group assesses credit risk on an individual basis in respect of certain customers in case of event driven situation such as litigations, disputes, change in customer's credit risk history, specific provision are made after evaluating the relevant facts and expected recovery.

(d) *Income recognition:*

• **Interest income**

Interest income from financial assets at amortized cost is calculated using the effective interest rate method and is recognized in the Statement of Profit and Loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after the deduction of loss allowance).

• **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.

Refer note 2B (viii) in other accounting policies below relevant to Investment and other financial assets.

**xi. 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

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

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. A financial liability is extinguished when the debtor either:

- a) discharges the liability by paying the creditor, normally with cash, other financial assets, goods or services or;
- b) is legally released from primary responsibility for the liability either by process of law or by the creditor.

**xii. 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.

**xiii. Employee benefits****(a) 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 all 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.

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 any 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.

Refer note 2B (xvii) in other accounting policies below relevant to Employee benefits.



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

**2.1 Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involve a higher degree of judgement 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. In addition, this note also explains where there have been actual adjustments this year as a result of changes to previous estimates.

The areas involving critical estimates or judgements are:

- Estimation of useful life of property, plant and equipment: Notes 2A(iv), 2B(v) and 3(a)
- Loss Allowance on trade receivables: Refer Notes 10 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.

**2B Summary of other accounting policies**

This note provides a list of other accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in note 2A above. These policies have been consistently applied to all the years presented, unless otherwise stated.

*i. Foreign Currency Transactions*

**a) 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.

**b) 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.

*ii. 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

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

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.

**iii. 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.

**iv. 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.



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

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.

v. *Property, Plant and Equipment*

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 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.

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'.

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 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.

Refer note 2A (iv) in material accounting policies above relevant to Property, plant and equipment.

vi. *Transition to Ind AS*

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

vii. *Intangible assets*

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.

Refer note 2A(v) in material accounting policies above relevant to Intangible assets.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**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.

*viii. Investment properties*

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.

Refer note 2A(vi) in material accounting policies above relevant to Investment properties.

*ix. 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

*x. 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.

*xi. 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



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

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.

xii. *Investments and other financial assets*

**(a) 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 sell 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.

**(b) Subsequent measurement**

*Investments in subsidiary companies:*

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 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 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.

*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:  
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in Other Income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains / (losses). Impairment losses are presented as separate line item in the statement of profit and loss.
- Measured at fair value through Other Comprehensive Income (FVOCI):  
Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains / (losses) and impairment expenses are presented as separate line item in Statement of Profit and Loss.

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

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss and presented net within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in the other income. Refer note 2A(x) in material accounting policy above relevant to Investments and other financial assets.

**(c) 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,
- 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 derecognized 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.

**xiii. 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.

**xiv. Borrowings**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost.



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

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.

xv. *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.

xvi. *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.

xvii. *Employee benefits*

**(a) 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 employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**(b) 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 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.

**(c) Post-employment obligations***Defined benefit plans*

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.

*Defined Contribution plan*

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.

**(d) 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 holdings 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 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



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

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.

Refer note 2A(xiii) in material accounting policies above relevant to Employee benefits.

*xviii. Cash dividend and non-cash distribution*

The Company recognizes a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is no longer at the discretion of the Company. As per the Act, a distribution is authorized when it is approved by the shareholders in case of final dividend and by the Board of Directors in case of interim dividend. A corresponding amount is recognized directly in equity.

*xix. Earnings per share*

**(a) 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.

**(b) 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.

*xx. Cash flow statement*

Cash flows are reported using the indirect method, whereby profit 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.

*xxi. 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.

*xxii. 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.

*xxiii. Exceptional Item*

Exceptional item 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.

*xxiv. Rounding of amounts*

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Crores as per the requirement of Schedule III, unless otherwise stated.



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

(All amounts in ₹ Crores, unless otherwise stated)

**Note 3(a) - Property, plant and equipment (including capital work-in-progress)**

Particulars	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers and hardware	Railway sidings	Total	Capital work-in-progress
<b>Year ended March 31, 2025</b>										
<b>I. Gross carrying amount</b>										
Opening gross carrying amount	0.05	21.28	136.88	3.20	4.33	5.71	0.78	*	172.23	-
Additions	-	0.31	6.13	0.13	0.05	0.77	0.63	-	8.02	0.44
Disposals	-	-	(3.91)	-	(0.22)	-	-	-	(4.13)	-
<b>Closing gross carrying amount</b>	<b>0.05</b>	<b>21.59</b>	<b>139.10</b>	<b>3.33</b>	<b>4.16</b>	<b>6.48</b>	<b>1.41</b>	<b>*</b>	<b>176.12</b>	<b>0.44</b>
<b>II. Accumulated depreciation</b>										
Opening accumulated depreciation	-	3.79	80.45	1.72	1.66	4.48	0.36	*	92.46	-
Depreciation charge during the year (Refer Note 33)	-	0.85	10.56	0.20	0.41	0.41	0.58	-	13.01	-
Disposals	-	-	(3.87)	-	(0.20)	-	-	-	(4.07)	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>4.64</b>	<b>87.14</b>	<b>1.92</b>	<b>1.87</b>	<b>4.89</b>	<b>0.94</b>	<b>*</b>	<b>101.40</b>	<b>-</b>
<b>III. Net carrying amount</b>	<b>0.05</b>	<b>16.95</b>	<b>51.96</b>	<b>1.41</b>	<b>2.29</b>	<b>1.59</b>	<b>0.47</b>	<b>*</b>	<b>74.72</b>	<b>0.44</b>
<b>Year ended March 31, 2026</b>										
<b>I. Gross carrying amount</b>										
Opening gross carrying amount	0.05	21.59	139.10	3.33	4.16	6.48	1.41	*	176.12	0.44
Additions	-	0.08	12.26	0.21	-	0.30	2.22	-	15.07	9.88
Disposals	-	(0.03)	(1.25)	-	(0.75)	(0.01)	(0.50)	-	(2.54)	(0.44)
<b>Closing gross carrying amount</b>	<b>0.05</b>	<b>21.64</b>	<b>150.11</b>	<b>3.54</b>	<b>3.41</b>	<b>6.77</b>	<b>3.13</b>	<b>*</b>	<b>188.65</b>	<b>9.88</b>
<b>II. Accumulated depreciation</b>										
Opening accumulated depreciation	-	4.64	87.14	1.92	1.87	4.89	0.94	*	101.40	-
Depreciation charge during the year (Refer Note 33)	-	0.87	10.61	0.20	0.34	0.36	0.73	-	13.11	-
Disposals	-	-	(0.90)	-	(0.25)	(0.00)	(0.44)	-	(1.59)	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>5.51</b>	<b>96.85</b>	<b>2.12</b>	<b>1.96</b>	<b>5.25</b>	<b>1.23</b>	<b>*</b>	<b>112.92</b>	<b>-</b>
<b>III. Net carrying amount</b>	<b>0.05</b>	<b>16.13</b>	<b>53.26</b>	<b>1.42</b>	<b>1.45</b>	<b>1.52</b>	<b>1.90</b>	<b>*</b>	<b>75.73</b>	<b>9.88</b>

**Notes:**

- (i) Refer Note 48(a) for information on property, plant and equipment pledged as security by the Group.
- (ii) Refer Notes 20, 24 and 47 for government grants related to property, plant and equipment.
- (iii) The Group has not capitalized any borrowing cost in the current and previous year.

\*Amount is below the rounding off norm adopted by the Group.



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

(All amounts in ₹ Crores, unless otherwise stated)

**Aging of Capital work-in-progress (CWIP):**

Particulars	Amount in capital work-in-progress for the period of				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
<b>Year ended March 31, 2026</b>					
(i) Projects in progress	9.98	-	-	-	9.98
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>9.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.98</b>
<b>Year ended March 31, 2025</b>					
(i) Projects in progress	0.44	-	-	-	0.44
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>0.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.44</b>

**Notes:**

- (i) As at March 31, 2026 and as at March 31, 2025, there are no projects whose completion is overdue or has exceeded its cost compared to its original plan.
- (ii) Capital work-in-progress for the year mainly comprises of plant and machinery and factory building.

**Note 3(b) - Leases**

**(i) Right-of-Use Assets**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>I. Gross carrying amount - Buildings</b>		
Opening gross carrying amount	2.72	0.85
Additions	2.02	2.05
Disposal	-	(0.18)
<b>Closing gross carrying amount</b>	<b>4.74</b>	<b>2.72</b>
<b>II. Accumulated depreciation - Building</b>		
Opening accumulated depreciation	0.98	0.43
Depreciation charge during the year (Refer Note 33)	1.21	0.62
Disposal	-	(0.07)
<b>Closing accumulated depreciation</b>	<b>2.19</b>	<b>0.98</b>
<b>III. Net carrying amount (I - II)</b>	<b>2.55</b>	<b>1.74</b>

**(ii) Lease Liabilities**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Lease Liabilities</b>		
Current	1.80	0.86
Non-current	1.00	0.98
<b>Total</b>	<b>2.80</b>	<b>1.84</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

**(iii) Amounts recognized in the Consolidated Statement of Profit and Loss**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation of right-of-use assets - Buildings (Refer Note 33)	1.21	0.62
Interest expense (included in finance costs) (Refer Note 32)	0.34	0.15
Expense relating to short-term leases (included in other expenses) (Refer Note 34)	0.12	0.22
<b>Total</b>	<b>1.67</b>	<b>0.99</b>

**(iv) Non-cash investing activities during the year**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Acquisition of right-of-use assets	2.02	2.05
Disposal of right-of-use assets	-	0.11
<b>Total</b>	<b>2.02</b>	<b>2.16</b>

**(v)** The maturity analysis of lease liabilities are disclosed in Note 39(A)(ii).**(vi)** The weighted average incremental borrowing rate applied to lease liabilities is 14% p.a.**(vii)** The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.**(viii)** The total cash outflow for leases for the year ended March 31, 2026 was ₹ 1.52 (March 31, 2025: ₹ 0.71) (including short term lease payments).**Note 4 - Investment Properties**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>I. Gross carrying amount</b>		
Opening gross carrying amount	2.73	2.73
Additions	-	-
<b>Closing gross carrying amount</b>	<b>2.73</b>	<b>2.73</b>
<b>II. Accumulated depreciation</b>		
Opening accumulated depreciation	0.73	0.64
Depreciation charge during the year (Refer Note 33)	0.09	0.09
<b>Closing accumulated depreciation</b>	<b>0.82</b>	<b>0.73</b>
<b>III. Net carrying amount (I - II)</b>	<b>1.91</b>	<b>2.00</b>

**(i)** Investment properties consist of buildings and leasehold land.**(ii) Amounts recognized in the Consolidated Statement of Profit and Loss for investment properties:**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Income from investment properties (Refer note 28)	9.55	9.76
Direct operating expenses towards income from investment properties that generated income	(5.87)	(6.01)
<b>Profit from investment properties before depreciation</b>	<b>3.68</b>	<b>3.75</b>
Depreciation (Refer Note 33)	(0.09)	(0.09)
<b>Profit from investment properties</b>	<b>3.59</b>	<b>3.66</b>



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**(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, 2026	As at March 31, 2025
Within one year	1.90	2.91
Later than one year but not later than five years	2.54	4.44
<b>Total</b>	<b>4.44</b>	<b>7.35</b>

**b) Finance leases**

Investment properties include land portions taken on lease by the Group for a period up to 99 years. 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, 2026	As at March 31, 2025
Investment properties	74.98	74.58

**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 Lakhs (March 31, 2025: ₹ 0.08 Lakhs).

**Note 5 - Intangible assets**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>I. Gross carrying amount</b>		
Opening gross carrying amount	14.26	9.92
Additions	2.20	4.34
<b>Closing gross carrying amount</b>	<b>16.46</b>	<b>14.26</b>
<b>II. Accumulated amortization</b>		
Opening accumulated amortization	7.95	6.60
Amortization during the year (Refer Note 33)	2.56	1.35
<b>Closing accumulated amortization</b>	<b>10.51</b>	<b>7.95</b>
<b>III. Net carrying amount (I - II)</b>	<b>5.95</b>	<b>6.31</b>

**Notes:**

- (i) The computer softwares are other than internally generated.  
(ii) The remaining useful life of intangible assets ranges from 1 to 4 years as at the year end.



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

(All amounts in ₹ Crores, unless otherwise stated)

**Note 6 - Non-current investments**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>(A) Investment in equity instruments (fully paid)</b>		
<b>Companies measured at FVOCI</b>		
<b>Quoted</b>		
79,920 (March 31, 2025: 79,920) equity shares of ₹ 10/- each of Stanrose Mafatlal Investments and Finance Limited	0.50	0.48
2,52,59,059 (March 31, 2025: 2,52,59,059) equity shares of ₹ 10/- each of NOCIL Limited \$\$	387.98	441.78
<b>Unquoted</b>		
1,600 (March 31, 2025: 1,600) equity shares of ₹ 10/- each of Hybrid Financial Services Limited \$**	@	@
116 (March 31, 2025: 116) equity shares of ₹ 10/- each of Anil Bioplus Limited	@	@
12,40,000 (March 31, 2025: 12,40,000) equity shares of ₹ 10/- each of Mafatlal Global Apparel Limited	@	@
2,320 (March 31, 2025: 2,320) equity shares of ₹ 10/- each of Anil Limited @@	@	@
100 (March 31, 2025: 100) equity shares of ₹ 10/- each of Arlabs Limited	@	@
15,000 (March 31, 2025: 15,000) equity shares of ₹ 10/- each of Cellulose Products of India Limited ##	@	@
10 (March 31, 2025: 10) equity shares of ₹ 25/- each of Universal Dyestuff Industries Limited @@	@	@
5,870 (March 31, 2025: 5,870) equity shares of ₹ 100/- each of SLM Maneklal Industries Limited **	@	@
30,000 (March 31, 2025: 30,000) equity shares of ₹ 10/- each of Mafatlal Medical Devices Limited @@@	@	@
92,500 (March 31, 2025: 92,500) equity shares of ₹ 100/- each of Janata Sahakari Bank Limited ####	0.93	0.93
50,000 (March 31, 2025: 250) equity shares of ₹ 10/- each of SVC Bank Limited ###	0.05	@
5 (March 31, 2025: 5) Shares of ₹ 50/- each of Sea - Face Park Co-op Housing Society Limited	@	@
26,16,670 (March 31, 2025: 26,16,670) equity shares of ₹ 10/- each of Ibiza Industries Limited ***@@	@	@
39,76,002 (March 31, 2025: 39,76,002) equity shares of ₹ 10/- each of Sunanda Industries Limited *@@	@	@
1,46,364 (March 31, 2025: 1,46,364) equity shares of ₹ 100/- each of Mafatlal Engineering Industries Limited ##	@	@
147 (March 31, 2025: 147) equity shares of AED 1,000/- each of Al Fahim Mafatlal Textiles LLC ##	@	@
NIL (March 31, 2025: 17,500) equity shares of ₹ 100/- each of The Cosmos Co-Operative Bank Limited ###	-	0.17



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

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
<b>(B) Investments in Government securities</b>		
<b>Unquoted - At amortized cost</b>		
Government securities [Face value of ₹ 0.03 (March 31, 2025: ₹ 0.03)] have been lodged with various authorities **	0.03	0.03
<b>(C) Investment in debentures and bonds</b>		
<b>Unquoted - At amortized cost</b>		
1,65,000 (March 31, 2025: 1,65,000) 10% Secured Redeemable Convertible Debentures of Mafatlal Engineering Industries Ltd. ##	@	@
2,050 (March 31, 2025: 2,050) Corporate Bonds of Housing Development Finance Corporation Limited: 11% - Series IV #	@	@
<b>Total</b>	<b>389.49</b>	<b>443.39</b>

§ Not held in the name of the Company since acquired on Amalgamation.

§§ 60,69,484 (March 31, 2025: 47,24,454) 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. 17,96,002 equity shares (March 31, 2025: 17,96,002 equity shares) were not available for verification.

\*\* Not available for physical verification.

\*\*\* 13,50,000 (March 31, 2025: 13,50,000) equity shares of Ibiza Industries Limited have been pledged for loans/deposit taken by the Company / other companies. 9,50,000 (March 31, 2025: 9,50,000) equity shares not available for physical verification / confirmation not available; currently under liquidation.

# 2,050 (March 31, 2025: 2,050) 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, 2026	As at March 31, 2025
<b>Total Non-current investments</b>		
Aggregate amount of quoted investments and market value thereof	388.48	442.26
Aggregate amount of unquoted investments	1.01	1.13
<b>Total</b>	<b>389.49</b>	<b>443.39</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

**Note 7 - Non-current - Other financial assets**

Particulars	As at March 31, 2026	As at March 31, 2025
<i>Unsecured, considered good</i>		
Security deposits	3.08	3.13
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	9.27	0.91
(ii) Other term deposits	-	0.87
Others	*	*
<b>Total</b>	<b>12.35</b>	<b>4.91</b>

**Note:** There are no financial assets as on March 31, 2026 and March 31, 2025 which have significant increase in credit risk or which are credit impaired.

**Note 8 - Non-current - Other assets**

Particulars	As at March 31, 2026	As at March 31, 2025
<i>Unsecured, considered good</i>		
Capital advances	0.52	0.43
Deposits with government authorities	1.46	1.46
<b>Total</b>	<b>1.98</b>	<b>1.89</b>

**Note 9 - Inventories**

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials	0.61	0.40
Work-in-progress	29.12	30.17
Finished goods	15.48	18.81
Stock-in-trade	35.01	43.95
Stock-in-trade in transit	20.16	-
Packing Material	1.39	1.06
Stores and spares	3.83	2.89
Others (Land) [Refer Note 52(ii)]	0.01	0.01
<b>Total</b>	<b>105.61</b>	<b>97.29</b>

Amounts recognized in the Consolidated Statement of Profit and Loss:

Inventory write downs are accounted, considering the nature of inventory, aging and net realisable value. Write down of inventories amounted to ₹ 7.00 (March 31, 2025: Write down of ₹ 7.99) were recognized as an expense during the year and included in 'changes in value of inventories of finished goods, work-in-progress and stock-in-trade' in the Consolidated Statement of Profit and Loss.

\*Amount is below the rounding off norm adopted by the Group.



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

(All amounts in ₹ Crores, unless otherwise stated)

**Note 10 - Trade receivables**

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables from contract with customers - billed	745.43	509.66
Trade receivables from contract with customers - related parties [Refer Note 42(II)(C)]	6.77	0.32
Loss allowance [Refer Note 39(C)]	(41.54)	(29.75)
<b>Total</b>	<b>710.66</b>	<b>480.23</b>
Current	710.22	479.43
Non-current	0.44	0.80

**Break up of security details**

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	743.04	502.10
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	9.16	7.88
<b>Total</b>	<b>752.20</b>	<b>509.98</b>
Loss allowance [Refer Note 39 (C)]	(41.54)	(29.75)
<b>Total</b>	<b>710.66</b>	<b>480.23</b>

^The receivable is 'unbilled' because the Group has not yet issued an invoice, however, the balance has been included under trade receivables (as opposed to contract assets) because it is an unconditional right to consideration.

**Aging of Trade receivables as at March 31, 2026**

Particulars	Unbilled	Not due	Outstanding for following periods from the due date					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	-	438.47	128.83	80.63	62.97	24.59	7.55	743.04
(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	-	-	-	-	0.53	1.93	6.70	9.16
<b>Total</b>	<b>-</b>	<b>438.47</b>	<b>128.83</b>	<b>80.63</b>	<b>63.50</b>	<b>26.52</b>	<b>14.25</b>	<b>752.20</b>
Loss allowance on trade receivables								(41.54)
<b>Total</b>								<b>710.66</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

**Aging of Trade receivables as at March 31, 2025**

Particulars	Unbilled	Not due	Outstanding for following periods from the due date					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	-	135.09	148.01	166.87	37.19	4.34	4.96	496.46
(ii) which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) credit impaired	-	-	-	-	-	-	-	-
(B) Disputed trade receivables								
(i) considered good	-	-	-	-	-	-	5.64	5.64
(ii) which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) credit impaired	-	-	-	-	-	-	7.88	7.88
<b>Total</b>	<b>-</b>	<b>135.09</b>	<b>148.01</b>	<b>166.87</b>	<b>37.19</b>	<b>4.34</b>	<b>18.48</b>	<b>509.98</b>
Loss allowance on trade receivables								(29.75)
<b>Total</b>								<b>480.23</b>

Refer Note 39 for information about credit risk and market risk for trade receivables.

**Note 11 - Cash and cash equivalents**

Particulars	As at March 31, 2026	As at March 31, 2025
Cash on hand	0.02	0.03
Balances with banks:		
(i) In Current accounts	49.85	4.30
(ii) In Deposit accounts with original maturity of less than 3 months	74.07	46.86
<b>Total</b>	<b>123.94</b>	<b>51.19</b>

**Note 12 - Other bank balances**

Particulars	As at March 31, 2026	As at March 31, 2025
Term deposits with remaining maturity of less than 12 months:		
(i) Deposits held as margin money or security against borrowings, guarantees and other commitments	126.94	105.04
(ii) Other term deposits	7.34	5.94
In earmarked accounts:		
(i) Unclaimed dividend accounts	0.28	0.10
(ii) Balances in Escrow Current accounts (Refer Note below)	0.02	0.02
<b>Total</b>	<b>134.58</b>	<b>111.10</b>

**Note:**

Balance in Escrow Current account of ₹ 0.02 (March 31, 2025: ₹ 0.02) is operated under the supervision of the Monitoring Committee constituted by the Government of Maharashtra, under Development Control Regulations, 1991.



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**Note 13 - Current loans**

Particulars	As at March 31, 2026	As at March 31, 2025
Loans to employees	0.50	0.01
<b>Total</b>	<b>0.50</b>	<b>0.01</b>

**Notes:**

- (i) There are no loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties.
- (ii) There are no loans as at March 31, 2026 and March 31, 2025 which have significant increase in credit risk or which are credit impaired.

**Note 14 - Current - Other financial assets**

Particulars	As at March 31, 2026	As at March 31, 2025
<i>Unsecured, considered good unless otherwise stated</i>		
Security deposits		
Considered good	9.58	8.56
Considered doubtful	2.28	2.64
	<b>11.86</b>	<b>11.20</b>
Less: Loss allowance on deposits [Refer Note 39(C)]	(2.28)	(2.64)
	<b>9.58</b>	<b>8.56</b>
Export incentives / Government grant receivable	0.67	1.28
Other receivables	0.24	0.18
<b>Total</b>	<b>10.49</b>	<b>10.02</b>

**Note:** There are no financial assets as at March 31, 2026 and March 31, 2025 which have significant increase in credit risk or which are credit impaired.

**Note 15 - Current - Other assets**

Particulars	As at March 31, 2026	As at March 31, 2025
<i>Unsecured, considered good</i>		
Prepaid expenses	1.67	1.16
Balances with government authorities	17.46	16.48
Advance to suppliers	30.92	7.98
<b>Total</b>	<b>50.05</b>	<b>25.62</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

**Note 16 - Equity share capital**

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
<b>(i) Authorized</b>				
Equity shares of ₹ 2/- each (March 31, 2025: ₹ 2/- each) with voting rights	35,00,00,000	70.00	35,00,00,000	70.00
Preference shares of ₹ 10/- each	3,00,00,000	30.00	3,00,00,000	30.00
<b>(ii) Issued</b>				
Equity shares of ₹ 2/- each (March 31, 2025: ₹ 2/- each) with voting rights	7,21,63,930	14.43	7,19,10,430	14.38
<b>(iii) Subscribed and fully paid up</b>				
Equity shares of ₹ 2/- each (March 31, 2025: ₹ 2/- each) with voting rights	7,21,63,930	14.43	7,19,10,430	14.38
Less: Allotment money / Calls in arrears	-	*	-	*
<b>Total</b>	<b>7,21,63,930</b>	<b>14.43</b>	<b>7,19,10,430</b>	<b>14.38</b>

**(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, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
<b>Equity Shares:</b>				
<b>Balance as at the beginning of the year</b>	<b>7,19,10,430</b>	<b>14.38</b>	<b>7,15,02,930</b>	<b>14.30</b>
Add: Shares issued during the year [see note 16(5)(ii) below]	2,53,500	0.05	4,07,500	0.08
<b>Outstanding at the end of the year</b>	<b>7,21,63,930</b>	<b>14.43</b>	<b>7,19,10,430</b>	<b>14.38</b>

**(2) Terms and rights attached to equity shares:**

The Group has issued only one class of equity shares having a par value of ₹ 2/- per share (March 31, 2025: ₹ 2/- per share). Every holder of equity shares is entitled to one vote per share held. The Group 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 Group, the holders of equity shares will be entitled to receive remaining assets of The Group, 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, 2026		As at March 31, 2025	
	Number of shares	% Holding	Number of shares	% Holding
<b>Equity Shares:</b>				
H. A. Mafatlal as a Trustee of Narsingha Trust	79,44,997	11.01%	78,09,552	10.86%
NOCIL Limited	97,73,475	13.54%	97,73,475	13.59%
Sumil Trading Private Limited	2,70,91,630	37.54%	2,70,91,630	37.67%

\*Amount is below the rounding off norm adopted by the Group.



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

(All amounts in ₹ Crores, unless otherwise stated)

**(4) Details of shareholding of promoters:**

Name of the Promoter	As at March 31, 2026			As at March 31, 2025		
	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
<b>Equity Shares:</b>						
Rekha H. Mafatlal	500	*	-	500	*	-
H. A. Mafatlal as a Trustee of Gurukripa Trust	500	*	-	500	*	-
H. A. Mafatlal as a Trustee of Karuna Trust	34,58,301	4.79%	2%	33,90,576	4.71%	-
H. A. Mafatlal as a Trustee of Narsingha Trust	79,44,997	11.01%	2%	78,09,552	10.86%	-
Rekha H. Mafatlal as a Trustee of Radha Raman Trust	500	*	-	500	*	-
Aarti M. Chadha	7,45,900	1.03%	-	7,45,900	1.04%	-
H. A. Mafatlal as a Trustee of Shrija Trust	500	*	-	500	*	-
H. A. Mafatlal	6,992	0.01%	-	6,992	0.01%	-
Anjali K. Agarwal	8,87,150	1.23%	-	8,87,150	1.23%	-
P.H. Mafatlal	500	*	-	500	*	-
KSJ Trading Private Limited	1,11,525	0.15%	-	1,11,525	0.16%	-
NOCIL Limited	97,73,475	13.54%	-	97,73,475	13.59%	-
Sumil Trading Private Limited	2,70,91,630	37.54%	-	2,70,91,630	37.67%	-
Shri H. A. Mafatlal Public Charitable Trust No 1	-	-	(100.00%)	1,20,640	0.17%	-
Seth Navinchandra Mafatlal Foundation Trust No 1	-	-	(100.00%)	82,530	0.11%	-
	<b>5,00,22,470</b>	<b>69.32%</b>		<b>5,00,22,470</b>	<b>69.56%</b>	

\*% of total number of shares below the rounding off norm adopted by the Group.

**(5) Aggregate number of shares issued for consideration other than cash:**

- 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.
- Shares reserved for issue under options:

Information relating to Mafatlal Industries Limited Employee Option Plan, including details of options issued, exercised and lapsed 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, 2026	As at March 31, 2025
Calls unpaid	*	*

- 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.

\*Amount is below the rounding off norm adopted by the Group.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

**Note 17 - Reserves and surplus**

Particulars	As at March 31, 2026	As at March 31, 2025
Securities Premium	115.60	114.28
Retained Earnings	262.17	188.04
General Reserve	6.20	6.20
Capital Investment Reserve	0.76	0.76
Investment Reserve	0.02	0.02
Share- based payments Reserve	1.94	2.42
Export Profit Reserve	0.20	0.20
<b>Other reserves:</b>		
FVOCI - Equity instruments	370.23	414.76
<b>Total</b>	<b>757.12</b>	<b>726.68</b>

**(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, 2026	As at March 31, 2025
Balance at the beginning of the year	114.28	181.48
Movement during the year	1.32	1.92
Accounting effect of NCLT order [Refer Note 49(b)]	-	(69.12)
<b>Balance at the end of the year</b>	<b>115.60</b>	<b>114.28</b>

**(ii) Retained Earnings**

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	188.04	(92.71)
Profit for the year	89.98	98.01
Transfer of realized gain on FVOCI Equity Instruments to Retained Earnings	-	0.10
Accounting effect of NCLT order [Refer Note 49(b)]	-	190.25
Transfer from Share-based payments reserve due to forfeiture and lapse of options	0.46	0.39
Dividend paid during the year [Refer Note 17(a)]	(16.20)	(7.19)
Other comprehensive income	(0.11)	(0.81)
<b>Balance at the end of the year</b>	<b>262.17</b>	<b>188.04</b>

**(iii) General Reserve**

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	6.20	6.20
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>6.20</b>	<b>6.20</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

**(iv) Capital reserve No. 1**

Capital reserve is to be utilized in accordance with the provisions of the Act.

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	-	0.61
Movement during the year	-	-
Accounting effect of NCLT order [Refer Note 49(b)]	-	(0.61)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

**(v) Capital reserve No. 2**

The reserve has arisen out of State Government subsidy received by the Group and is separately maintained as per the provisions of the Act.

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	-	0.35
Movement during the year	-	-
Accounting effect of NCLT order [Refer Note 49(b)]	-	(0.35)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

**(vi) Capital Reserve on Amalgamation**

The said reserve has arisen out of amalgamation with Mafatlal Denim Limited.

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	-	36.34
Movement during the year	-	-
Accounting effect of NCLT order [Refer Note 49(b)]	-	(36.34)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

**(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, 2026	As at March 31, 2025
Balance at the beginning of the year	-	83.83
Movement during the year	-	-
Accounting effect of NCLT order [Refer Note 49(b)]	-	(83.83)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(All amounts in ₹ Crores, 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, 2026	As at March 31, 2025
Balance at the beginning of the year	0.76	0.76
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>0.76</b>	<b>0.76</b>

**(ix) Investment Reserve**

The said reserve has arisen on account of amalgamation with Mafatlal Gagalbhai and Company Private Limited.

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	0.02	0.02
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>0.02</b>	<b>0.02</b>

**(x) Share - based payments Reserve**

The said reserve has arisen on account of ESOP scheme announced by the Group.

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	2.42	1.35
Employee share-based payment expense [Refer Note 38(f)]	0.37	2.01
Transfer from Share-based payments reserve due to forfeiture and lapse of options	(0.46)	(0.39)
Employee share options exercised during the year	(0.39)	(0.55)
<b>Balance at the end of the year</b>	<b>1.94</b>	<b>2.42</b>

**(xi) Export Profit Reserve**

The said reserve has arisen due to amalgamation with Mafatlal Fine Spinning and Manufacturing Company Limited.

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	0.20	0.20
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>0.20</b>	<b>0.20</b>

**(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, 2026	As at March 31, 2025
Balance at the beginning of the year	414.76	581.65
Change in fair value of FVOCI equity instruments	(44.53)	(166.79)
Transfer of gain on FVOCI equity instruments to Retained Earnings	-	(0.10)
<b>Balance at the end of the year</b>	<b>370.23</b>	<b>414.76</b>



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**Note 17(a) - Distribution made and proposed**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Dividends on equity shares declared and paid:</b>		
Final dividend for the year ended March 31, 2025: ₹ 1/- per share of face value of ₹ 2/- each (March 31, 2024: NIL)	7.19	-
Interim dividend for the year ended March 31, 2026: ₹ 1.25/- per share of face value of ₹ 2/- each (March 31, 2025: ₹ 1/- per share of face value of ₹ 2/- each)	9.01	7.19
<b>Proposed dividends on equity shares:</b>		
Proposed dividend for the year ended March 31, 2026: ₹ 1.25/- per share of face value of ₹ 2/- each (March 31, 2025: Re. 1/- per share of face value of ₹ 2/- each) (Refer Note below)	9.01	7.19

**Note:** Proposed dividend recommended by the Board of Directors on equity shares are subject to approval of shareholders in the ensuing Annual General Meeting and are not recognized as a liability as at the balance sheet date.

**Note 18 - Non - current borrowings**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Secured</b>		
<b>Term Loans</b>		
(a) From Banks [Refer Note no.(i), (ii), (iii), (v) and (vi) below]	28.22	21.90
(b) For vehicle loans [Refer Note no.(iv) below]	0.13	0.64
<b>Unsecured</b>		
<b>Term Loans</b>		
(a) From Banks [Refer Note no.(vii)]	4.77	-
<b>Total</b>	<b>33.12</b>	<b>22.54</b>

(i) Term loan from a Bank, amounting to ₹ NIL (March 31, 2025: ₹ 3.90).	Repayable in 60 monthly instalments beginning from April 2021 till March 2026. The rate of interest during the year was in the range of 9.40% p.a. to 10.00% p.a. (March 31, 2025: 10.00% p.a. to 10.25% p.a).
(ii) Term loan from a Bank, amounting to ₹ NIL (March 31, 2025: ₹ 4.36).	Repayable in 32 monthly instalments beginning from October 2023 paid till March 2026. The rate of interest for the year was in the range of 9.40% p.a. to 10.00% p.a (March 31, 2025: 10.00% p.a. to 10.25% p.a).
(iii) Term loan from a Bank, amounting to ₹ 15.29 (March 31, 2025: ₹ 17.84).	Repayable in 84 monthly instalments beginning from April 2024 till March 2031. The rate of interest for the year was in the range of 9.40% p.a. to 10.00% p.a. (March 31, 2025: 10.00% p.a. to 10.25% p.a).
- All the above term loans are secured by mortgage of an immovable asset - buildings measuring 7,635 sq. ft. (March 31, 2025: 14,670 sq. ft.) of Mafatlal House at Mumbai.	

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

(iv) Loans from a Bank, amounting to ₹ 0.48 (March 31, 2025: ₹ 1.06) for vehicles, secured by hypothecation of respective vehicles.	Repayable in monthly instalments and the rate of interest for the year was in the range of 9.05% p.a. to 9.95% p.a. (March 31, 2025: 8.75% p.a. to 10.15% p.a).
(v) Term loan from a Bank, amounting to ₹ 5.56 (March 31, 2025: ₹ 2.29) is secured by a charge on the plant and machinery acquired out of the said loan and a pari passu charge on the Land and Building of the Company at Nadiad measuring 3,66,392 sq. mtr (March 31, 2025: 3,66,392 sq.mtr)	Repayable in 72 monthly instalments beginning from April 2025 till March 2031 (with moratorium of 1 year). The rate of interest during the year was in the range of 9.00% p.a. to 10.00% p.a. (March 31, 2025: 9.85% p.a. to 10.10% p.a).
(vi) Term loan from a Bank, amounting to ₹ 13.06 (March 31, 2025: ₹ 6.20) is secured by pari passu charge on Land and Building of the Company at Nadiad measuring 3,66,392 sq. mtr (March 31, 2025: 3,66,392 sq. mtr)	Repayable in 84 monthly instalments beginning from April 2025 till March 2032. The rate of interest during the year was in the range of 9.40% p.a. to 10.00% p.a. (March 31, 2025: 10.00% p.a).
(vii) Term loan from a Bank, amounting to ₹ 5.25 (March 31, 2025: ₹ NIL) is unsecured.	Repayable in 22 quarterly instalments beginning from October 2026 till January 2032 (with moratorium of 6 months). The rate of interest for the year was 7.75% p.a. (March 31, 2025: NIL)

The amounts mentioned include instalments falling due within a year aggregating to ₹ 6.52 (March 31, 2025: ₹ 13.11) which have been grouped under "Current Borrowings" [Refer Note 21].

For Liquidity risk information, refer Note 39.

**Note 19 - Non-current - Other financial liabilities**

Particulars	As at March 31, 2026	As at March 31, 2025
Trade / Security deposits	4.08	4.02
Advances received against legal matters (Refer Note below)	6.98	6.98
Interest accrued and not due on advance received against legal matters [Refer Note 52(i)]	2.84	2.84
<b>Total</b>	<b>13.90</b>	<b>13.84</b>

Note: Out of the above, for advances of ₹ 5.78 (March 31, 2025: ₹ 5.78), refer note 52(i).

**Note 20a - Non-current - Other liabilities**

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred income on Government Grant (Refer Note 47)	0.78	-
Contract liabilities - Unearned revenue	0.65	1.49
<b>Total</b>	<b>1.43</b>	<b>1.49</b>

**Note 20b - Non-current - Provision**

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Employee Benefits:		
(i) Provident Fund	0.43	-
<b>Total</b>	<b>0.43</b>	<b>-</b>



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**Note 21 - Current borrowings**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Secured</b>		
<b>From Banks</b>		
Working Capital loans*	-	6.99
Current loans against properties**	17.90	25.62
Current maturities of long-term debt (Refer Note 18)		
(i) From Banks	5.69	12.69
(ii) For vehicle loans	0.35	0.42
Interest accrued but not due on borrowings	0.23	0.03
<b>Unsecured</b>		
<b>From Banks</b>		
Working Capital loans***	3.00	-
Current maturities of long-term debt (Refer Note 18)		
(i) From Banks	0.48	-
<b>Total</b>	<b>27.65</b>	<b>45.75</b>

\*\*Current loans against properties from a bank aggregating to ₹ 6.89 (March 31, 2025: ₹ 10.25) is secured by pari-passu charge on Land and Building of the Company at Nadiad measuring 3,66,392 sq. mtr (March 31, 2025: 3,66,392 sq. mtr) and charge on certain stocks and book debts, both present and future of the Company which is repayable on demand and carrying an interest in the range of 9.00% p.a. to 10.00% p.a. (March 31, 2025: 10.00% p.a. to 10.75% p.a).

\*\*Current loans against properties from a bank aggregating to ₹ 11.01 (March 31, 2025: ₹ 15.37) is secured by pari-passu charge on Land and Building of the Company at Nadiad measuring 3,66,392 sq. mtr (March 31, 2025: 3,66,392 sq. mtr) which is repayable on demand and carry an interest in the range of 9.40% p.a. to 10.00% p.a. (March 31, 2025: 10.00% p.a. to 10.25% p.a).

\*Working Capital loans from banks aggregating to ₹ NIL (March 31, 2025: ₹ 6.99) are secured by first pari-passu charge on certain stocks and book debts, both present and future, of the Company, charge on certain property, pledge of 60,69,584 (March 31, 2025: 47,24,454) equity shares of NOCIL Limited held by the Company. The working capital loans were repayable on demand and carry an interest in the range of 8.55% p.a. to 10.00% p.a. (March 31, 2025: 9.65% p.a. to 10.25% p.a).

\*\*\*Working Capital loan from bank aggregating to ₹ 3.00 (March 31, 2025: ₹ NIL) is unsecured.

For Liquidity risk information, refer Note 39.

Refer Note 48(b) for net debt reconciliation.

**Note 22 - Trade payables**

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises	11.49	9.12
Total outstanding dues of creditors other than micro enterprises and small enterprises	702.44	433.89
Trade Payables to related parties [Refer Note 42(II)(C)]	0.56	0.28
<b>Total</b>	<b>714.49</b>	<b>443.29</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

**Aging of Trade Payables as at March 31, 2026**

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	5.31	2.20	3.98	-	-	-	11.49
(ii) Others	57.16	24.31	565.56	44.61	4.74	6.62	703.00
(B) Disputed trade payables							
(i) Micro enterprises and Small enterprises	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
<b>Total</b>	<b>62.47</b>	<b>26.51</b>	<b>569.54</b>	<b>44.61</b>	<b>4.74</b>	<b>6.62</b>	<b>714.49</b>

**Aging of Trade Payables as at March 31, 2025**

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	4.75	3.54	0.83	-	-	-	9.12
(ii) Others	69.67	119.66	176.85	58.38	6.14	3.47	434.17
(B) Disputed trade payables							
(i) Micro enterprises and Small enterprises	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
<b>Total</b>	<b>74.42</b>	<b>123.20</b>	<b>177.68</b>	<b>58.38</b>	<b>6.14</b>	<b>3.47</b>	<b>443.29</b>

**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, 2026	As at March 31, 2025
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	6.18	4.37
Interest due thereon to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.16	0.04
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	8.39	7.34



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
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	0.44	-
Interest accrued and remaining unpaid at the end of each accounting year	0.60	-
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	5.31	4.71

**Note 23 - Current - Other financial liabilities**

Particulars	As at March 31, 2026	As at March 31, 2025
Unclaimed dividends (refer Note below)	0.28	0.10
Capital creditors	3.85	0.28
Trade Deposits	145.55	89.33
Employee benefits payable	4.72	8.80
<b>Total</b>	<b>154.40</b>	<b>98.51</b>

**Note:** There are no amounts due for payment to the Investor Education and Protection Fund as at the year end.

**Note 24 - Current - Other liabilities**

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory dues payable	3.40	2.59
Contract liabilities		
(i) Advance from customers	8.37	4.73
(ii) Unearned revenue	0.83	0.86
Deferred income on Government Grant (Refer Note 47)	0.11	0.41
Refund liabilities [Refer Note 26(a) below]	4.35	2.80
Others	0.56	0.53
<b>Total</b>	<b>17.62</b>	<b>11.92</b>

**Note 25 - Current provisions**

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Employee Benefits:		
(i) Provision for Compensated absences (Refer Note 41)	6.08	5.57
(ii) Provision for Gratuity (Refer Note 41)	6.77	4.17
<b>Total</b>	<b>12.85</b>	<b>9.74</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

**Note 26 - Revenue recognized in relation to contract liabilities**

Particulars	As at March 31, 2026	As at March 31, 2025
Revenue recognized that was included in contract liabilities at the beginning of the year (Refer Note 24 - Advance from customers)	2.31	17.84

**Note:** There has been no significant change in contract liabilities.**Note 26(a): Refund Liabilities include:**

- Customer refund liabilities for discount payable to customers of ₹ 0.30 (March 2025: ₹ 0.30)
- Liquidated damages provided on contractual terms when delivery have exceeded or are likely to exceed the delivery terms of ₹ 4.05 (March 2025: ₹ 2.50)

**Note 27 - Revenue from operations**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Revenue from contract with customers</b>		
Sale of Products	3,793.19	2,707.00
Sale of Services	50.97	93.56
<b>Total Revenue from Contract with Customers (A)</b>	<b>3,844.16</b>	<b>2,800.56</b>
<b>Other operating revenue</b>		
Income from waste / scrap sale	1.26	1.59
Processing income	24.42	4.06
Duty drawback and other export incentives	1.23	1.26
<b>Total other operating revenue (B)</b>	<b>26.91</b>	<b>6.91</b>
<b>Total Revenue [(A) + (B)]</b>	<b>3,871.07</b>	<b>2,807.47</b>

- The unsatisfied performance obligations from long-term contracts with customers are based on time incurred. As permitted under Ind AS 115, the transaction price allocated to these unsatisfied contracts is not disclosed.

**(ii) Reconciliation of revenue recognized with contract price:**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Contract price	3,849.80	2,804.33
Adjustments for:		
Discounts and rebates	(1.85)	(2.12)
Liquidated damages	(3.79)	(1.65)
<b>Total Revenue from contract with customers</b>	<b>3,844.16</b>	<b>2,800.56</b>

**(iii) Disaggregation of revenue from contracts with customers:**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>The Group derives revenue from the transfer of goods and services in the following geographical regions:</b>		
India	3,812.98	2,768.29
Asia (Excluding India)	30.44	31.85
Others	0.74	0.42
<b>Total Revenue from contract with customers</b>	<b>3,844.16</b>	<b>2,800.56</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

**(iv) The Group derives revenue from the transfer of following goods and services:**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Textile and related products	1,467.61	1,210.52
Digital infrastructure	62.34	92.89
Consumer durables and others	2,314.21	1,497.15
<b>Total Revenue from contract with customers</b>	<b>3,844.16</b>	<b>2,800.56</b>

**(v) Timing of revenue recognition**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Revenue from contract with customers</b>		
Goods transferred at a point in time	3,793.19	2,707.00
Services transferred over time	50.97	93.56
<b>Total Revenue from contract with customers</b>	<b>3,844.16</b>	<b>2,800.56</b>

**Note 28 - Other income**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest income on:		
(i) Financial assets at amortized cost		
Term deposits	9.74	7.19
Others	0.22	0.71
(ii) Income tax refund	-	0.94
Rental income from investment properties	4.51	4.19
Utility / business service / air-conditioning charges and other receipts in respect of investment properties	5.04	5.57
Dividend income from equity investments designated at fair value through other comprehensive income	5.07	7.60
Apportioned income from Government grants #	0.41	0.54
Miscellaneous income	5.49	7.59
<b>Total</b>	<b>30.48</b>	<b>34.33</b>

# 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, 2026 (Refer Note 47).

**Note 29 - Other gains (net)**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Net gain on disposal of property, plant and equipment and investment properties [Refer Notes 3(a) and 4]	0.30	3.27
Net gain on sale of investments	0.70	0.08
Net foreign exchange differences	0.19	0.38
<b>Total</b>	<b>1.19</b>	<b>3.73</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

**Note 30 - Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Inventories at the end of the year</b>		
Finished goods	15.48	18.81
Work-in-progress	29.12	30.17
Stock-in-trade (Traded goods) (including stock-in-transit)	55.17	43.95
<b>Sub-total (A)</b>	<b>99.77</b>	<b>92.93</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	18.81	10.74
Work-in-progress	30.17	35.16
Stock-in-trade (Traded goods) (including stock-in-transit)	43.95	29.73
<b>Sub-total (B)</b>	<b>92.93</b>	<b>75.63</b>
<b>Total (B - A)</b>	<b>(6.84)</b>	<b>(17.30)</b>

**Note 31 - Employee benefits expense**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, wages, bonus, etc.	54.98	49.59
Contributions to provident and other funds [Refer Note 41(ii)(a)]	4.25	4.04
Gratuity expense (Refer Note 41)	1.81	1.80
Staff welfare expenses	2.15	2.17
Employee share-based payment expense (Refer Note 38)	0.37	2.01
<b>Total</b>	<b>63.56</b>	<b>59.61</b>

**Note 32 - Finance costs**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest expense on financial liabilities measured at amortized cost and lease liabilities:		
Interest on borrowings	4.18	5.78
Interest on trade payables	0.60	1.05
Interest on lease liabilities	0.34	0.15
Interest - others	0.11	0.15
Other borrowing costs	3.47	3.83
<b>Total</b>	<b>8.70</b>	<b>10.96</b>

**Note 33 - Depreciation and amortization expense**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation of property, plant and equipment [Refer Note 3(a)]	13.11	13.01
Depreciation of right-of-use assets [Refer Note 3(b)(i)]	1.21	0.62
Depreciation on investment properties (Refer Note 4)	0.09	0.09
Amortization on intangible assets (Refer Note 5)	2.56	1.35
<b>Total</b>	<b>16.97</b>	<b>15.07</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

**Note 34 - Other expenses**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Consumption of stores and spare parts	36.55	32.34
Processing charges	6.46	9.71
Power and fuel	35.78	34.75
Royalty	1.12	-
Repairs and maintenance		
Buildings	2.10	2.22
Machinery	1.82	1.85
Others	3.21	2.69
Insurance (net)	0.84	1.03
Lease rent *	0.12	0.22
Sales commission	4.35	3.12
Rates and taxes	3.25	3.09
Sub-contracting and distribution charges	83.35	114.27
Transport and freight charges (net)	20.79	14.82
Donations and Charities	0.87	0.46
Bad Debts written off	6.88	0.85
Less: Allowances there against	(6.88)	(0.85)
Security deposits written off	1.62	-
Loss allowance on security deposits	(0.36)	0.87
Legal and professional fees	14.19	12.47
Payments to auditors [Refer Note 34(a)]	0.59	0.54
Director's fees (Refer Note 42)	1.35	0.80
Miscellaneous expenses	22.83	21.23
<b>Total</b>	<b>240.83</b>	<b>256.48</b>

\* Lease rent expense pertains to short-term leases.

**Note 34(a) - Details of payment to auditors**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Payment to the auditors</b>		
<b>As auditor:</b>		
Statutory audit fees	0.39	0.37
Limited review	0.17	0.15
Certifications fees	0.02	0.01
Reimbursement of expenses	0.01	0.01
<b>Total</b>	<b>0.59</b>	<b>0.54</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

**Note 35 - Exceptional Item**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Employee severance cost comprising voluntary retirement scheme at Nadiad (Refer note a. below)	-	6.00
Gratuity Expenses (Refer note b. below)	2.87	-
<b>Total</b>	<b>2.87</b>	<b>6.00</b>

**Note:**

- During the year ended March 31, 2025, the Company entered into a Memorandum of Understanding (MOU) with the Workers' Union at its Nadiad location to reduce its workforce and accordingly recognized expenses towards compensation payable as full and final settlement to its certain workers who accepted the offer and disclosed the same as an exceptional item. The aforesaid MOU with the Workers' Union at Nadiad location is no longer effective for the remaining workers to opt for the offer.
- Pursuant to the notification issued by the Ministry of Labour and Employment, multiple existing labour legislations have been consolidated into a unified framework comprising four Labour Codes, collectively referred to as the 'New Labour Codes' which became effective from November 21, 2025. The Company has reassessed its employee benefit obligations in accordance with the revised definition of wages. Accordingly, an estimated incremental liability on gratuity provision has been recognized as an "Exceptional Item" during the year ended March 31, 2026. The Company is monitoring updates on the rules and clarifications by State and/or Central Government authorities in relation to the New Labour Codes and impact of those will be evaluated and accounted for in the period in which they are notified.

**Note 36 - Taxation****36(a) - Tax expense**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Current tax</b>	25.168%	25.168%
Current tax on Profits for the year	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax credit - Consolidated Statement of Profit and Loss</b>		
Decrease / (Increase) in deferred tax assets	5.92	(23.54)
Decrease in deferred tax liabilities	(0.29)	(0.06)
<b>Total deferred tax charge / (credit)</b>	<b>5.63</b>	<b>(23.60)</b>
<b>Deferred tax credit - Other Comprehensive Income</b>		
Increase in deferred tax assets	(9.26)	(21.16)
<b>Total deferred tax credit</b>	<b>(9.26)</b>	<b>(21.16)</b>

**36(b) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Profit for the year</b>	94.70	74.33
Statutory income tax rate applicable to the Group	25.168%	25.168%
<b>Tax expense at applicable tax rate</b>	<b>23.83</b>	<b>18.71</b>


**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Tax effects of amounts which are (deductible) / taxable in calculating taxable income:</b>		
Permanent difference on sale of property, plant and equipment, investments	-	(0.83)
Adjustments for tax of prior periods	(2.01)	1.41
Unrecognized deferred tax on tax losses and other temporary differences	0.51	1.29
Expenses not deductible for tax purposes (CSR & MSME Interest)	0.36	0.35
Income for the year set off against brought forward losses on which deferred tax was not recognized in earlier years	-	(17.00)
Deferred tax recognized for unabsorbed depreciation	(16.25)	(7.52)
Deferred tax recognized for business losses	(0.72)	(24.85)
Differential rate on recognition of unabsorbed depreciation	-	4.70
Others	(0.09)	0.14
<b>Income tax expense as per the Consolidated Statement of Profit and Loss</b>	<b>5.63</b>	<b>(23.60)</b>

**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.

**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 (net)**

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Deferred tax assets</b>		
Loss allowance on trade receivables and deposits (net)	8.06	1.30
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	5.43	4.23
Unabsorbed depreciation	26.76	17.62
Business loss	6.32	29.34
Change in fair value of FVOCI equity instruments	20.12	10.86
<b>Total deferred tax assets</b>	<b>66.69</b>	<b>63.35</b>
<b>Deferred tax liabilities</b>		
Property, plant and equipment and intangible assets	(3.37)	(3.66)
<b>Deferred tax assets (net)</b>	<b>63.32</b>	<b>59.69</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

**Movement in deferred tax assets 'DTA' / (liabilities) 'DTL':**

Particulars	DTA / (DTL) as at March 31, 2024	Charged/ (Credited) to profit and loss	Charged/ (Credited) to OCI	DTA / (DTL) as at March 31, 2025
<b>Year ended March 31, 2025</b>				
Loss allowance on trade receivables and deposits (net)	7.20	5.90	-	1.30
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	6.96	2.93	(0.20)	4.23
Unabsorbed depreciation	10.10	(7.52)	-	17.62
Business losses	4.49	(24.85)	-	29.34
Property, plant and equipment and intangible assets	(3.72)	(0.06)	-	(3.66)
Change in fair value of FVOCI equity instruments	(10.10)	-	(20.96)	10.86
<b>Total deferred tax assets (net)</b>	<b>14.93</b>	<b>(23.60)</b>	<b>(21.16)</b>	<b>59.69</b>

Particulars	DTA / (DTL) as at March 31, 2025	Charged/ (Credited) to profit and loss	Charged/ (Credited) to OCI	DTA / (DTL) as at March 31, 2026
<b>Year ended March 31, 2026</b>				
Loss allowance on trade receivables and deposits (net)	1.30	(6.76)	-	8.06
Disallowances under Sections 35DDA, 40(a)(i), 43B of the Income Tax Act, 1961	4.23	(1.20)	-	5.43
Unabsorbed depreciation	17.62	(9.14)	-	26.76
Business losses	29.34	23.02	-	6.32
Property, plant and equipment and intangible assets	(3.66)	(0.29)	-	(3.37)
Change in fair value of FVOCI equity instruments	10.86	-	(9.26)	20.12
<b>Total deferred tax assets (net)</b>	<b>59.69</b>	<b>5.63</b>	<b>(9.26)</b>	<b>63.32</b>

The Group has recognized the deferred tax asset on unabsorbed depreciation and business losses 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 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, 2026	As at March 31, 2025
Unabsorbed brought forward depreciation	-	64.56
Potential tax benefit @ 25.168% (March 31, 2025: 25.168%)	-	16.25
Long term capital loss	24.90	24.97
Potential tax benefit @ 14.3*% (March 31, 2025: 12.5%)	3.56	3.12
<b>Total Potential tax benefit</b>	<b>3.56</b>	<b>19.37</b>

\*including surcharge



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

(All amounts in ₹ Crores, unless otherwise stated)

**36(g) - Current tax assets (net)**

Particulars	As at March 31, 2026	As at March 31, 2025
Current tax assets [Net of provision of tax ₹ 127.21 (March 31, 2025: ₹ 128.43)]	51.16	19.76
- Non current	27.92	19.76
- Current	23.24	-

**Note 37 - Fair value measurements**

**(i) Financial Instruments 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.

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.

There were no transfers between level 1, level 2 and level 3 during the year.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

**(ii) Financial instruments by category**

Particulars	As at March 31, 2026			As at March 31, 2025		
	FVPL	FVOCI	Amortized cost	FVPL	FVOCI	Amortized cost
<b>Financial assets</b>						
Investments						
- Equity instruments	-	389.47	-	-	442.26	1.10
- Government securities	-	-	0.03	-	-	0.03
Cash and bank balances	-	-	258.51	-	-	162.29
Loans	-	-	0.50	-	-	0.01
Other financial assets	-	-	22.84	-	-	14.93
Trade receivables	-	-	710.66	-	-	480.23
<b>Total financial assets</b>	<b>-</b>	<b>389.47</b>	<b>992.54</b>	<b>-</b>	<b>442.26</b>	<b>658.59</b>
<b>Financial liabilities</b>						
Borrowings	-	-	60.77	-	-	68.29
Trade payables	-	-	714.49	-	-	443.29
Other financial liabilities	-	-	168.30	-	-	112.35
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>943.56</b>	<b>-</b>	<b>-</b>	<b>623.93</b>

**Financial Asset and Liabilities measured at Fair Value - recurring fair value measurements - Level 1**

Particulars	As at March 31, 2026	As at March 31, 2025
Quoted equity investments measured at fair value	388.48	442.26

Difference between fair value of non-current financial instruments carried at amortized cost and carrying value is not considered to be material to the financial statements.

**(iii) 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.
- 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, in compliance with the provisions of the Securities and Exchange Board of India (Share Based benefits) Regulations, 2014 and amendments thereof from time to time.



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

- (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 1<sup>st</sup> anniversary, 20% on 2<sup>nd</sup> anniversary, 30% on 3<sup>rd</sup> anniversary and remaining 35% on 4<sup>th</sup> anniversary of the grant date. Once vested, the options remain exercisable 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 exercisable for a period of four years after vesting.
- (iv) During the financial year 2022-23, 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 exercisable 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 sub-division of equity shares effective from November 25, 2022. Disclosures have been made after giving effect to the sub-division of equity shares.
- (vii) During the financial year 2024-25, the NRC in its meeting held on May 27, 2024 has granted 3,55,000 options (after 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 27, 2024 and the vested options are exercisable for a period of four years after vesting.

**(b) Set out below is a summary of options granted under the plan:**

Particulars	As at March 31, 2026		As at March 31, 2025	
	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]
<b>Opening Balance</b>				
Options granted on November 10, 2017	64.54	-	64.54	32,500
Options granted on August 01, 2019	15.73	-	15.73	12,000
Options granted on May 28, 2022	36.20	2,99,000	36.20	7,73,500
Options granted on May 27, 2024	131.15	3,55,000	-	-
<b>Granted during the year</b>				
Options granted on May 27, 2024	-	-	131.15	3,55,000
<b>Exercised during the year</b>				
Options granted on August 01, 2019	15.73	-	15.73	12,000
Options granted on May 28, 2022	36.20	2,46,500	36.20	3,95,500
Options granted on May 27, 2024	131.15	7,000	-	-
<b>Forfeited during the year</b>				
Options granted on November 10, 2017	64.54	-	64.54	32,500
Options granted on May 28, 2022	36.20	37,500	36.20	79,000
Options granted on May 27, 2024	131.15	25,000	-	-



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	As at March 31, 2026		As at March 31, 2025	
	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]
<b>Closing Balance</b>				
Options granted on May 28, 2022	36.20	15,000	36.20	2,99,000
Options granted on May 27, 2024	131.15	3,23,000	131.15	3,55,000
Vested and exercisable		3,38,000		6,54,000

**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 38(a)(vi) above].

(c) The weighted average share price at the dates of exercise of the options exercised during the year ended March 31, 2026 was ₹ 161.33 per share (March 31, 2025: ₹ 131.80 per share).

**(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, 2026	Share options March 31, 2025	Fair value of options at grant date [see Note (a)(vi) above] (in ₹)
May 28, 2022	May 28, 2023	May 28, 2027	36.20	15,000	2,99,000	13.76
May 27, 2024	May 27, 2025	May 27, 2029	131.15	3,23,000	3,55,000	66.95
<b>Total</b>				<b>3,38,000</b>	<b>6,54,000</b>	

Weighted average remaining contractual life of options outstanding at the end of the period	3.08 years	3.25 years
---	---------------	---------------

**(e) Fair Value of options granted**

**The model inputs for options granted on November 10, 2017 included [see Note 38(a)(vi) above]:**

- options are granted for no consideration and vest upon completions of service for a period of 1-4 years. Vested options are exercisable for a period of four years after vesting.
- exercise price: ₹ 64.54 per option
- grant date: November 10, 2017
- expiry date: November 10, 2022 - November 10, 2025
- share price at grant date: ₹ 62.82 per share
- expected price volatility of the Company's shares: 48.32% - 51.99%
- expected dividend yield: 1.69%
- 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 38(a)(vi) above]:**

- options are granted for no consideration and vest upon completion of service for a period of one year. Vested options are exercisable for a period of four years after vesting.
- exercise price: ₹ 15.73 per option



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

(All amounts in ₹ Crores, unless otherwise stated)

- (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 38(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 exercisable 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.

**The model inputs for options granted on May 27, 2024 included [see Note 38(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 exercisable for a period of four years after vesting.
- (b) exercise price: ₹ 131.15 per option
- (c) grant date: May 27, 2024
- (d) expiry date: May 27, 2029
- (e) share price at grant date: ₹ 142.63 per share
- (f) expected price volatility of the Company's shares: 56.75%
- (g) expected dividend yield: 0%
- (h) risk free interest rate: 6.98%

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, 2026	Year ended March 31, 2025
Employee share-based payment expense (Refer Note 31)	0.37	2.01

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**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 committed 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:

	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
Expiring within one year (Current Borrowing facilities)	95.10	91.39
Expiring beyond one year	5.43	13.73

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:

<b>As at March 31, 2026</b>	<b>Less than 12 months</b>	<b>1 year to 3 years</b>	<b>More than 3 years</b>
Non current borrowings (including current maturity of long term debt)	9.84	19.53	20.33
Current borrowings*	20.90	-	-
Trade payables	714.49	-	-
Trade / Security deposits	145.55	3.64	0.44
Lease liabilities	1.79	0.95	0.06
Other financial liabilities (excluding trade / security deposits)	8.85	9.82	-



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

<b>As at March 31, 2025</b>	<b>Less than 12 months</b>	<b>1 year to 3 years</b>	<b>More than 3 years</b>
Non current borrowings (including current maturity of long term debt)	16.95	16.45	14.82
Current borrowings*	32.61	-	-
Trade payables	443.29	-	-
Trade / Security deposits	89.33	3.17	0.85
Lease liabilities	0.86	0.95	0.03
Other financial liabilities (excluding trade / security deposits)	9.18	9.82	-

\* 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.

**(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 price risk, interest rate risk and foreign exchange risk that arise from its use of financial instruments.

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:

**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.

Any new investment or divestment must be approved by the Board of Directors and Chief Financial Officer.

**a) Price risk sensitivity analysis**

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:

<b>Particulars</b>	<b>Effect on other comprehensive income</b>	
	<b>5% increase</b>	<b>5% decrease</b>
<b>March 31, 2026</b>	19.42	(19.42)
March 31, 2025	22.11	(22.11)

Above referred sensitivity pertains to quoted equity investments (Refer Note 6).

**ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market interest rate is limited to borrowings which bear floating interest rate.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group manages interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. As at March 31, 2026, approximately 34.99% of the Group's borrowings is at variable rate of interest (March 31, 2025: 52.66%).

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period is as follows:

**a) Interest rate exposure**

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Variable rate borrowings	21.18	35.96
Fixed rate borrowings	39.36	32.33

**b) Interest rate sensitivity**

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are included in the table below. As at the end of the reporting period, the Group had the following exposure on variable rate borrowings outstanding. Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates were utilized for the whole financial year:

Particulars	Effect on profit before tax	
	0.25 bps increase	0.25 bps decrease
March 31, 2026	(0.05)	0.05
March 31, 2025	(0.09)	0.09

**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 and AED.

**a) Foreign currency risk exposure**

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	Receivable	Receivable in Foreign currency	Receivable	Receivable in Foreign currency
	(₹ in Crores)	(Amount in Foreign currency) (in full numbers)	(₹ in Crores)	(Amount in Foreign currency) (in full numbers)
Trade receivables	3.33	USD 3,51,999	4.20	USD 4,90,006
Trade receivables	0.22	AED 92,127	-	-



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**b) Foreign currency sensitivity**

5% is the sensitivity rate used when reporting foreign currency risk and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding unhedged foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The following table demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities is as follows:

Particulars	Effect on profit before tax	
	5% increase	5% decrease
<b>March 31, 2026</b>	<b>0.16</b>	<b>(0.16)</b>
March 31, 2025	0.21	(0.21)

**(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, cash and cash equivalents, deposit with banks and other bank balances. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

**Cash and cash equivalents, 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 dealing with highly rated banks. Management does not expect any losses from non-performance by these counterparties and the risk of default is negligible or nil.

**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 evaluates 12 months expected credit losses for all the financial assets (other than trade receivable) for which credit risk has not increased. In case credit risk has increased significantly, the Group considers lifetime expected credit losses for the purpose of provisioning (loss allowance).

Financial assets are written off when there is no reasonable expectations 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.

**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 forwarding-looking information.



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

The Group's assessment is that credit risk in relation to sales made to government customers or sub-contractors to government is extremely low as the probability of default is insignificant; therefore the provision for expected credit losses (ECL) is immaterial in respect of receivables from these customers.

For all non-government customers, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix by taking into consideration payment profiles over a period of 36 months before the reporting date and the corresponding historical credit loss experience within this period. The historical loss rates are adjusted to reflect the current and forward looking information on macro economic factors affecting the ability of customers to settle receivables. The expected credit loss is based on aging of days, the receivables due and the expected credit loss rate. Further, the Group has assessed credit risk on an individual basis in respect of certain customers in case of event driven situation such as litigations, disputes, change in customer's credit risk history, specific provision are made after evaluating the relevant facts and expected recovery.

**The movement in loss allowances for security deposits is as follows:**

	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
Balance as at beginning of the year	2.64	2.64
Add: Created during the year	1.22	-
Less: Utilized during the year	(1.58)	-
<b>Balance as at the end of the year</b>	<b>2.28</b>	<b>2.64</b>

**The movement in allowance for trade receivables is as follows:**

	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
Balance as at beginning of the year	29.75	26.29
Add: Created during the year	18.67	4.31
Less: Utilized during the year	(6.88)	(0.85)
<b>Balance as at the end of the year</b>	<b>41.54</b>	<b>29.75</b>

**Details of expected credit loss as at March 31, 2026**

Particulars	Unbilled	Outstanding for following periods from the due date					Total
		Not Due and Less than 180 days	181-360 days	361-540 days	541-720 days	>720 days	
Gross carrying amount - trade receivables (based on provision matrix)	-	148.76	22.64	15.62	4.85	16.38	208.25
Gross carrying amount - trade receivables (considered on individual basis) *	-	418.48	53.89	10.07	37.36	14.99	534.79
Gross carrying amount - trade receivables Credit Impaired	-	-	-	0.37	0.16	8.63	9.16
<b>Total</b>	<b>-</b>	<b>567.24</b>	<b>76.53</b>	<b>26.06</b>	<b>42.37</b>	<b>40.00</b>	<b>752.20</b>
Expected loss rate	-	2.32%	17.80%	30.99%	73.67%	100.00%	
Expected credit losses - trade receivables (based on provision matrix)	-	3.46	4.03	4.84	3.67	16.38	32.38
Expected credit losses - trade receivables (considered on individual basis)	-	-	-	-	-	-	-



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Unbilled	Outstanding for following periods from the due date					Total
		Not Due and Less than 180 days	181-360 days	361-540 days	541-720 days	>720 days	
Provision due to credit impaired - trade receivables	-	-	-	0.37	0.16	8.63	9.16
<b>Loss allowance</b>	-	<b>3.46</b>	<b>4.03</b>	<b>5.21</b>	<b>3.83</b>	<b>25.01</b>	<b>41.54</b>
<b>Carrying amount of trade receivables (net of loss allowance)</b>	-	<b>563.78</b>	<b>72.50</b>	<b>20.85</b>	<b>38.54</b>	<b>14.99</b>	<b>710.66</b>

\* mainly includes trade receivables in relation to sales made to government customers or sub-contractors to government.

**Details of expected credit loss as at March 31, 2025**

Particulars	Unbilled	Outstanding for following periods from the due date					Total
		Not Due and Less than 180 days	181-360 days	361-540 days	541-720 days	>720 days	
Gross carrying amount - trade receivables (based on provision matrix)	-	198.56	11.22	9.53	3.45	9.30	232.06
Gross carrying amount - trade receivables (considered on individual basis) *	-	84.54	155.65	13.59	10.62	5.64	270.04
Gross carrying amount - trade receivables Credit Impaired	-	-	-	-	-	7.88	7.88
<b>Total</b>	-	<b>283.10</b>	<b>166.87</b>	<b>23.12</b>	<b>14.07</b>	<b>22.82</b>	<b>509.98</b>
Expected loss rate	-	1.14%	15.57%	25.29%	42.98%	100.00%	
Expected credit losses - trade receivables (based on provision matrix)	-	2.26	1.76	2.42	1.49	9.30	17.23
Expected credit losses - trade receivables (considered on individual basis)	-	-	-	-	-	5.64	5.64
Provision due to credit impaired - trade receivables	-	-	-	-	-	6.88	6.88
<b>Loss allowance</b>	-	<b>2.26</b>	<b>1.76</b>	<b>2.42</b>	<b>1.49</b>	<b>21.82</b>	<b>29.75</b>
<b>Carrying amount of trade receivables (net of loss allowance)</b>	-	<b>280.84</b>	<b>165.11</b>	<b>20.70</b>	<b>12.58</b>	<b>1.00</b>	<b>480.23</b>

\* mainly includes trade receivables in relation to sales made to government customers or sub-contractors to government.

**Note 40 - Capital Management**

The Group's objectives when managing capital are to:

- safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders; and
- 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. For achieving this, the requirement of capital is reviewed periodically with reference to operating and business plans. Apart from internal accrual, sourcing of capital is done through a judicious combination of equity and borrowing, both short term and long term. Debt (total borrowings + lease liabilities) to equity ratio is used to monitor capital.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

The debt equity ratio highlights the ability of a business to repay its debts.

Description	As at March 31, 2026	As at March 31, 2025
Total Debt (total borrowings + lease liabilities) (A)	63.57	70.13
Total Equity (B)	771.46	741.39
<b>Debt to equity ratio (A/B) (in times)</b>	<b>0.08</b>	<b>0.09</b>

**Loan Covenants**

Under the terms of borrowing facilities, the Group is required to comply with the following covenants:

**(i) Financial covenants:**

- Total liabilities to net worth (total equity) below 3,
- Interest service coverage ratio above 2,
- Debt service coverage ratio above 1.25,
- Debt to EBITDA ratio below 3.

**(ii) Non financial covenants:**

- The Group to take prior written 'No Objection Certificate (NOC)' from the bank for the following:
  - a) In case of dilution of shareholding in NOCIL Limited below 10%.

As at March 31, 2026 and as at March 31, 2025, the Company has complied with the applicable covenants on the outstanding exposure.

**Note 41 - Employee benefit obligations**

Particulars	As at March 31, 2026	As at March 31, 2025
Compensated Absences (Refer Note 25)	6.08	5.57
Gratuity (Refer Note 25)	6.77	4.17
<b>Total</b>	<b>12.85</b>	<b>9.74</b>

**(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, 2026	As at March 31, 2025
Current leave obligations not expected to be settled within the next 12 months	4.46	4.42



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**(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 ₹ 4.25 (March 31, 2025: ₹ 4.04) (Refer Note 31).

**(b) Defined Benefit Plans:**

**Gratuity**

The Group provides for gratuity as per the group's scheme or applicable Act/Rules (last drawn basic salary per month computed proportionately for 15 days multiplied by number of years of service) whichever is more beneficial to the employees. As per the Group's scheme, the amount of gratuity payable on retirement/ termination is payable to the employees based on last drawn basic salary per month computed proportionately for 30 / 15 / 30 days (for number of years of service tenure of less than 15 years, more than 15 years but less than 30 years and more than 30 years, respectively). The benefits vest after five years of continuous service. The Group has established Fund to which the Group makes contribution for the employees. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

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.

**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
<b>As on April 01, 2024</b>	<b>26.49</b>	<b>19.29</b>	<b>7.20</b>
Interest Expense / Income	1.91	1.39	0.52
Current Service Cost	1.28	-	1.28
<b>Total amount recognized in the Consolidated Statement of Profit and Loss</b>	<b>3.19</b>	<b>1.39</b>	<b>1.80</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<i>Remeasurements</i>			
Return on plan assets, excluding amount included in interest expense / income	-	0.97	(0.97)
Loss from change in financial assumptions	1.57	-	1.57
Experience losses	0.21	-	0.21
<b>Total amount recognized in Other Comprehensive Income</b>	<b>1.78</b>	<b>0.97</b>	<b>0.81</b>
Employer Contributions	-	5.64	(5.64)
Benefit Payments	(4.65)	(4.65)	-
<b>Balance as on March 31, 2025</b>	<b>26.81</b>	<b>22.64</b>	<b>4.17</b>

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>As on April 01, 2025</b>	<b>26.81</b>	<b>22.64</b>	<b>4.17</b>
Interest Expense / Income	1.87	1.55	0.32
Current Service Cost	1.51	-	1.51
Past Service Cost	2.87	-	2.87
<b>Total Amount Recognized in the Consolidated Statement of Profit and Loss</b>	<b>6.25</b>	<b>1.55</b>	<b>4.70</b>
<i>Remeasurements</i>			
Return on plan assets, excluding amount included in interest expense / income	-	(0.03)	0.03
(Gain) / loss from change in financial assumptions	(0.66)	-	(0.66)
Experience losses	0.31	-	0.31
<b>Total Amount Recognized in Other Comprehensive Income</b>	<b>(0.35)</b>	<b>(0.03)</b>	<b>(0.32)</b>
Employer Contributions	-	1.78	(1.78)
Benefit Payments	(2.33)	(2.33)	-
<b>Balance as on March 31, 2026</b>	<b>30.38</b>	<b>23.61</b>	<b>6.77</b>

**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
<b>As on April 01, 2024</b>	<b>21.50</b>	<b>21.79</b>	<b>(0.29)</b>
Opening Balance adjustment	0.04	-	0.04
Interest Expense	1.51	1.51	-
Current Service Cost	0.94	-	0.94
Employee Contributions	1.18	2.12	(0.94)
Liabilities transferred in	0.12	0.12	-
Return on plan assets	-	0.09	(0.09)
Benefit Payments	(5.47)	(5.47)	-
<b>Balance as on March 31, 2025 *</b>	<b>19.82</b>	<b>20.16</b>	<b>(0.34)</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Present Value of Obligation	Fair Value of plan Assets	Net Amount
<b>As on April 01, 2025</b>	<b>19.82</b>	<b>20.16</b>	<b>(0.34)</b>
Opening Balance adjustment	(0.03)	-	(0.03)
Interest Expense / Income	1.37	1.37	-
Current Service Cost	0.91	-	0.91
Contributions	1.22	2.13	(0.91)
Liabilities transferred in	0.36	0.36	-
Return on plan assets	-	0.03	(0.03)
Benefit Payments	(5.99)	(5.99)	-
Actuarial loss (recognized in Other Comprehensive Income)	0.43	-	0.43
<b>Balance as on March 31, 2026</b>	<b>18.09</b>	<b>18.06</b>	<b>0.03</b>

Following tables show breakdown of the defined benefit obligations and plan assets:

**GRATUITY**

Description	As at March 31, 2026	As at March 31, 2025
Present Value of Obligations	30.38	26.81
Fair Value of Plan Assets	23.61	22.64
<b>Net Liability</b>	<b>6.77</b>	<b>4.17</b>

**PROVIDENT FUND**

Description	As at March 31, 2026	As at March 31, 2025
Present Value of Obligations	18.52	19.82
Fair Value of Plan Assets	18.09	20.16
<b>Net Asset *</b>	<b>0.43</b>	<b>(0.34)</b>

\* Excess of the asset over liability is not recognized in the Consolidated Financial Statements

The significant actuarial assumptions were as follows:

Description	As at March 31, 2026	As at March 31, 2025
Discount Rate / Return on plan assets		
Gratuity	7.06%	6.73%
Guaranteed Return		
Provident fund	8.25%	8.25%
Rate of salary increase		
Gratuity	7.00%	7.00%
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 CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**Sensitivity Analysis**

The sensitivity of the defined benefit obligation to increase and decrease in the weighted principal assumptions by 1.00% is as below:

Particulars	Impact on defined benefit obligation			
	Increase in assumptions		Decrease in assumptions	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
<b>Discount Rate / Return on plan assets</b>				
Gratuity	(1.80)	(1.62)	2.06	1.85
<b>Rate of salary increase</b>				
Gratuity	2.04	1.83	(1.82)	(1.63)
<b>Rate of employee turnover</b>				
Gratuity	(0.03)	(0.06)	0.03	0.06

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:

Description	As at March 31, 2026	As at March 31, 2025
Central Government of India bonds	9.53%	13.18%
State Government Securities	26.83%	26.81%
Special Deposits Scheme	5.53%	6.91%
Debt Instruments/Mutual Funds	44.14%	49.98%
Others	13.96%	3.12%

**(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 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.



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**(v) Defined Benefit Liability and Employer Contributions**

Expected contributions to post-employment benefit plans for the year ending March 31, 2027 are ₹ 3.27

The weighted average duration of the defined benefit obligation is 8 years (March 31, 2025: 8 years).

The expected maturity analysis of undiscounted gratuity is as follows:

**Maturity Analysis of the Projected Benefit Obligations - Gratuity**

Description	As at March 31, 2026	As at March 31, 2025
1 <sup>st</sup> Following Year	5.24	3.35
2 <sup>nd</sup> Following Year	2.30	3.59
3 <sup>rd</sup> Following Year	2.46	1.93
4 <sup>th</sup> Following Year	2.60	1.88
5 <sup>th</sup> following year	2.87	2.03
Sum of 6 to 10	14.33	13.06
Sum of 11 and above	24.50	20.82

**Note 42 - Related party transactions**

**I Name of related parties and nature of relationship:**

**A) Key Management Personnel (KMP):**

H. A. Mafatlal (Executive Chairman)

Priyavrata H. Mafatlal (Son of H.A. Mafatlal) (Managing Director)

Atul K. Srivastava (Non Executive Independent Director)

Vilas R. Gupte (Non Executive Independent Director) (upto August 04, 2024)

Pradip N. Kapadia (Non Executive Independent Director) (upto August 04, 2024)

Latika P. Pradhan (Non Executive Independent Director) (upto April 16, 2025)

Gautam G. Chakravarti (Non Executive Independent Director) (upto May 29, 2025)

Sujal A. Shah (Non Executive Independent Director) (upto May 29, 2025)

Ashutosh S. Bishnoi (Non Executive Independent Director) (w.e.f May 27, 2024)

Abhay R. Jadeja (Non Executive Independent Director) (w.e.f May 27, 2024)

Jyotin K. Mehta (Non Executive Independent Director) (w.e.f October 26, 2024)

Archana Hingorani (Additional Director) (w.e.f February 04, 2025)

Desh Deepak Khetrpal (Additional Director) (w.e.f February 04, 2025)

**B) Relatives of KMP with whom transactions have taken place during the year:**

Aarti M. Chadha

Anjali K. Agarwal

Rekha H. Mafatlal

**C) Individual having control:**

H. A. Mafatlal



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**D) Entity having significant influence:**

Sumil Trading Private Limited

**E) Entities over which KMP or their relatives have control / significant influence (with whom transactions have taken place):**

NOCIL Limited

N. M. Sadguru Water and Development Foundation

Sri Chaitanya Health and Care Trust

MAF Technologies Private Limited

Sumil Trading Private Limited

Vrata Tech Solutions Private Limited

Vigil Juris (upto August 04, 2024)

Jadeja & Satiya

Indivar Foundation

Vrata Trading Private Limited

Vrata Ecorenew Energy LLP

Shriaan Trading LLP

H. A. Mafatlal as a Trustee of Gurukripa Trust

H. A. Mafatlal as a Trustee of Karuna Trust

H. A. Mafatlal as a Trustee of Narsingha Trust

H. A. Mafatlal as a Trustee of Shrija Trust

Rekha H. Mafatlal as a Trustee of Radha Raman Trust

Shri H. A. Mafatlal Public Charitable Trust No 1

Seth Navinchandra Mafatlal Foundation Trust No 1

MAF Hospitality LLP

Intensive Clothing Care Unit

**F) Post employment benefit plan:**

The Mafatlal Gagalbhai & Sons and the Associate Concerns Officer's Superannuation 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.

**G) Individuals having significant influence over subsidiary of the Group and their related entities:**

Jitendra Pradhan (w.e.f October 18, 2024)

Dipyaman Baral (w.e.f October 18, 2024)

Apexpie Solutions Private Limited (w.e.f October 18, 2024)



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

(All amounts in ₹ Crores, unless otherwise stated)

Vridhee Innovations Private Limited (w.e.f October 18, 2024)

Sagar Birnale (w.e.f July 19, 2025)

Hindustan Garments (w.e.f July 19, 2025)

India Garments (w.e.f July 19, 2025)

**II Transactions with related parties:**

**A) Key Management personnel compensation**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Directors' Remuneration</b>		
<b>Employee benefit expenses #</b>		
Priyavrata H. Mafatlal	3.70	3.26
<b>Directors' sitting fees</b>		
Latika P. Pradhan	-	0.10
Atul K. Srivastava	0.10	0.12
Pradip. N. Kapadia	-	0.04
Gautam G. Chakravarti	0.01	0.12
Sujal A. Shah	0.01	0.11
Vilas. R. Gupte	-	0.04
Abhay R. Jadeja	0.11	0.08
Ashutosh S. Bishnoi	0.11	0.07
Jyotin K. Mehta	0.10	0.04
Archana Hingorani	0.10	0.04
Desh Deepak Khetrapal	0.06	0.04
<b>Directors' commission</b>		
Latika P. Pradhan	0.09	-
Atul K. Srivastava	0.09	-
Pradip. N. Kapadia	0.05	-
Gautam G. Chakravarti	0.09	-
Sujal A. Shah	0.09	-
Vilas. R. Gupte	0.05	-
Abhay R. Jadeja	0.09	-
Ashutosh S. Bishnoi	0.09	-
Jyotin K. Mehta	0.05	-
Archana Hingorani	0.03	-
Desh Deepak Khetrapal	0.03	-
<b>Total compensation</b>	<b>5.05</b>	<b>4.06</b>

# The remuneration does not include the provisions made for gratuity and compensated absences, as they are not determinable since these are based on actuarial valuation on an overall company basis. Further, remuneration includes ₹ 0.32 (March 31, 2025: ₹ 0.30) towards contribution to provident fund and other funds. The remaining remuneration is in nature of short-term employment benefit expense.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

**B) Transactions carried out with the related parties referred in (I) above, in ordinary course of business:**

Nature of transaction	Year ended March 31, 2026	Year ended March 31, 2025
<b>(i) Revenue from contract with customers</b>		
Sumil Trading Private Limited	0.34	-
MAF Technologies Private Limited	-	0.01
Shriaan Trading LLP	0.83	0.44
Vrata Trading Private Limited	0.12	-
Hindustan Garments (w.e.f July 19, 2025)	8.20	-
<b>(ii) Other Income - Utility / business service / air-conditioning charges and other receipts in respect of investment properties</b>		
NOCIL Limited	-	0.02
Hindustan Garments (w.e.f July 19, 2025)	2.56	-
<b>(iii) Other income - Rental income</b>		
Sumil Trading Private Limited	0.07	0.05
Vrata Tech Solutions Private Limited	0.02	0.02
Indivar Foundation	0.06	0.05
Vrata Trading Private Limited	0.07	0.02
Vrata Ecorenew Energy LLP	0.13	0.01
<b>(iv) Other income - Dividend Income</b>		
NOCIL Limited	5.05	7.58
<b>(v) Lease rent paid</b>		
Sumil Trading Private Limited	-	0.19
India Garments (w.e.f July 19, 2025)	0.20	-
<b>(vi) Purchase of goods / services</b>		
Shriaan Trading	0.43	-
Hindustan Garments (w.e.f July 19, 2025)	6.36	-
<b>(vii) Purchase of Property, plant and equipment / intangible assets</b>		
Vrata Tech Solutions Private Limited	1.06	0.09
Intensive Clothing Care Unit	-	0.85
Apexpie Solutions Private Limited (w.e.f October 18, 2024)	-	0.61
<b>(viii) Other expenses</b>		
Vrata Tech Solutions Private Limited (Repairs and maintenance - others - software support services)	1.05	0.88
Vigil Juris (Other expenses)	-	0.08
Sumil Trading Private Limited (Miscellaneous expenses)	-	0.06
Shriaan Trading LLP (Miscellaneous expenses)	-	0.35
India Garments (w.e.f July 19, 2025) (other expenses)	0.05	-
Jitendra Pradhan (Consultancy fees)	0.96	0.27
Dipyaman Baral (Consultancy fees)	0.18	0.06
Apexpie technologies Private Limited (software support services)	-	0.87


**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

Nature of transaction	Year ended March 31, 2026	Year ended March 31, 2025
Vridhee innovations Private Limited (software support services)	0.20	0.47
N. M. Sadguru Water and Development Foundation (Expenditure on charity activities)	-	0.10
Sri Chaitanya Health and Care Trust (Expenditure on charity activities)	0.65	0.30
Gurukripa Trust (Expenditure for Royalty)	1.12	-
Jadeja & Satiya (Other expenses)	0.08	-
MAF Hospitality LLP (Other expenses)	0.35	-
<b>(x) Contribution for Post employment benefit plan</b>		
The Mafatlal Gagalbhai & Sons and the associate concerns officer's superannuation scheme	0.41	0.35
Mafatlal Industries Limited Employee's Gratuity Fund	1.78	5.64
Mafatlal Industries Limited Employee's Provident Fund	2.07	2.12
<b>(xi) Dividend Paid</b>		
H. A. Mafatlal	*	*
Priyavrata H. Mafatlal	*	*
NOCIL Limited	2.20	0.98
Sumil Trading Private Limited	6.10	2.71
Relatives of KMP	0.37	0.16
Entities in which KMP/ relatives of KMP can exercise significant influence	2.59	1.15

**C) Outstanding balances with related parties referred in (I) above:**

Nature of transaction	As at March 31, 2026	As at March 31, 2025
<b>(i) Trade receivables:</b>		
Sumil Trading Private Limited	-	0.01
Vrata Tech Solutions Private Limited	*	*
Shriaan Trading LLP	0.20	0.31
Vrata Trading Private Limited	0.12	-
Hindustan Garments (w.e.f July 19, 2025)	6.45	-
<b>(ii) Trade payables:</b>		
Sumil Trading Private Limited	-	0.07
Vrata Tech Solutions Private Limited	0.28	0.07
Shriaan Trading LLP	-	0.14
India Garments (w.e.f July 19, 2025)	0.01	-
Hindustan Garments (w.e.f July 19, 2025)	0.27	-
<b>(iii) Investments in Related Parties</b>		
NOCIL Limited	387.98	441.78
<b>(iv) Employee benefits payable</b>		
Priyavrata H. Mafatlal	1.00	0.72

\*Amount is below the rounding off norm adopted by the Group.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**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**

Nature of transaction	As at March 31, 2026	As at March 31, 2025
Income tax matters	27.28	27.28
Central excise, sales tax and related matters	2.40	2.40
Central excise and service tax matters	32.25	32.60
Labor law matters	0.24	0.47
Director General of Foreign Trade matters	0.05	0.05
<b>Total</b>	<b>62.22</b>	<b>62.80</b>

- (a) 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 ₹ NIL (March 31, 2025: ₹ 26.97) for the period 2008-10 was raised by Brihanmumbai Mahanagarpalika ('BMC') towards property taxes in respect of the properties owned by various owners for the respective floors with respect to increase in ratable value of Municipal taxes. The demand had been challenged by owners of various floors and during the financial year ended March 31, 2024, the concerned adjudicating authority set aside the aforesaid demand which was challenged and revised the demand to ₹ 11.20, which was subsequently paid by the owners of the respective floors. During the year ended March 31, 2025, the Company has received the No Due Certificate with respect to these dues.

In case of Mafatlal Chambers:

A demand for ₹ NIL (March 31, 2025: ₹ 7.93) 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 matter was heard by BMC in the previous year and the said demand was struck off in full. During the financial year, the Company has received the No Due Certificate with respect to these dues.

- (b) 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. The aforementioned amounts under disputes are as per the demands from various authorities for the respective periods and has not been adjusted to include further interest and penalty leviable, if any.
- (c) The Group does not expect any reimbursement in respect of the above contingent liabilities.
- (d) 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.
- (e) Contingent liability relating to determination of provident fund liability, based on judgement from Honourable 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.


**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**Note 44 - Capital Commitments**

Nature of transaction	As at March 31, 2026	As at March 31, 2025
Property, Plant and equipment	2.80	1.84
Less: Capital advances (Refer Note 8)	(0.52)	(0.43)
Net capital commitments	2.28	1.41

**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.

**The Group has identified and reported the following business segments:**

- a) Textile and related products
- b) Digital infrastructure
- c) Consumer durables and others

**Segment revenue and results:**

The revenue and expenses which are directly attributable to any business segment are reported under each reportable segment. The revenue and expenses which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable 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 payables and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

**(i) Operating segments based on nature of products**

Particulars	Year ended March 31, 2026				Year ended March 31, 2025			
	Textile and related products	Digital Infrastructure	Consumer Durables and others	Total	Textile and related products	Digital Infrastructure	Consumer Durables and others	Total
<b>Income</b>								
Segment Revenue	1,494.52	62.34	2,314.21	3,871.07	1,217.43	92.89	1,497.15	2,807.47
Other income	6.24	-	-	6.24	11.62	-	0.01	11.63
<b>Total Income</b>	<b>1,500.76</b>	<b>62.34</b>	<b>2,314.21</b>	<b>3,877.31</b>	<b>1,229.05</b>	<b>92.89</b>	<b>1,497.16</b>	<b>2,819.10</b>
<b>Expenses</b>								
Cost of materials consumed	151.56	-	-	151.56	138.24	-	-	138.24
Purchases of stock-in-trade	1,031.90	25.16	2,254.66	3,311.72	794.82	16.15	1,486.86	2,297.83
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(20.11)	0.01	13.26	(6.84)	(3.25)	-	(14.05)	(17.30)
Employee benefits expense	43.93	7.26	0.80	51.99	42.07	3.25	0.78	46.10
Depreciation and amortization expense	13.44	2.65	-	16.09	12.68	1.37	-	14.05
Other expenses	205.56	21.66	13.05	240.27	186.17	55.93	1.02	243.12
<b>Total Expenses</b>	<b>1,426.28</b>	<b>56.74</b>	<b>2,281.77</b>	<b>3,764.79</b>	<b>1,170.73</b>	<b>76.70</b>	<b>1,474.61</b>	<b>2,722.04</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2026				Year ended March 31, 2025			
	Textile and related products	Digital Infrastructure	Consumer Durables and others	Total	Textile and related products	Digital Infrastructure	Consumer Durables and others	Total
<b>Segment Result</b>	<b>74.48</b>	<b>5.60</b>	<b>32.44</b>	<b>112.52</b>	<b>58.32</b>	<b>16.19</b>	<b>22.55</b>	<b>97.06</b>
Add / (Less):								
Unallocated income / (expense) (net)				(5.37)				(4.75)
Unallocated depreciation and amortization				(0.88)				(1.02)
Unallocable finance cost				(8.70)				(10.96)
<b>Profit before exceptional item and tax</b>				<b>97.57</b>				<b>80.33</b>
Exceptional Item (Refer note 35)				(2.87)				(6.00)
<b>Profit before tax</b>				<b>94.70</b>				<b>74.33</b>

Particulars	Year ended March 31, 2026				Year ended March 31, 2025			
	Textile and related products	Digital Infrastructure	Consumer Durables and others	Total	Textile and related products	Digital Infrastructure	Consumer Durables and others	Total
<b>Other Information:</b>								
Segment Assets	688.30	43.24	248.41	979.95	609.66	62.75	22.18	694.59
Unallocable assets #				770.20				695.72
<b>Total Assets</b>				<b>1,750.15</b>				<b>1,390.31</b>
Segment Liabilities	549.55	4.06	336.99	890.60	417.95	9.76	127.07	554.78
Unallocable liabilities								
Borrowings				60.77				68.29
Others				27.32				25.85
<b>Total Liabilities</b>				<b>978.69</b>				<b>648.92</b>

# Unallocable assets are majorly pertaining to investments.

Particulars	Year ended March 31, 2026				Year ended March 31, 2025			
	Textile and related products	Digital Infrastructure	Consumer Durables and others	Total	Textile and related products	Digital Infrastructure	Consumer Durables and others	Total
<b>Capital Expenditure:</b>								
Segment capital expenditure	22.71	2.34	-	25.05	8.20	4.84	-	13.04
Unallocated capital expenditure				0.33				0.17
<b>Total capital expenditure</b>				<b>25.38</b>				<b>13.21</b>
<b>Depreciation and Amortization:</b>								
Segment depreciation and amortization	13.44	2.65	-	16.09	12.68	1.37	-	14.05
Unallocated depreciation and amortization				0.88				1.02
<b>Total depreciation and amortization</b>				<b>16.97</b>				<b>15.07</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2026				Year ended March 31, 2025			
	Textile and related products	Digital Infrastructure	Consumer Durables and others	Total	Textile and related products	Digital Infrastructure	Consumer Durables and others	Total
<b>Significant non-cash expenditure (other than depreciation and amortization):</b>								
Segment significant non-cash expenditure	19.93	-	-	19.93	4.31	-	-	4.31
Unallocated significant non-cash expenditure				-				-
<b>Total significant non-cash expenditure (other than depreciation and amortization)</b>				<b>19.93</b>				<b>4.31</b>

**(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, 2026	Year ended March 31, 2025
India	3,839.89	2,775.20
Asia (Excluding India)	30.44	31.85
Others	0.74	0.42
<b>Total</b>	<b>3,871.07</b>	<b>2,807.47</b>

**Segment Assets**

**Non-current assets excluding financial assets, deferred tax assets and income tax assets (based on area of non-current assets):**

Nature of transaction	As at March 31, 2026	As at March 31, 2025
India	97.99	87.10
Asia (Excluding India)	-	-
Others	-	-
<b>Total</b>	<b>97.99</b>	<b>87.10</b>

**The Group has revenue of more than 10% from the following customers:**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Maharashtra Building and other construction workers welfare board	2,201.75	1,439.65
The Directorate of Food and Consumer Affairs, Jharkhand*	420.38	-

\*During the year revenue from the customer does not qualify for disclosure under Ind AS 108



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

(All amounts in ₹ Crores, unless otherwise stated)

**Note 46 - Earnings per share**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Basic Earnings Per Share</b>		
Profit for the year as per the Consolidated Statement of Profit and Loss	89.98	98.01
Weighted average number of shares for the purposes of basic earnings per share (in numbers)	7,20,50,196	7,18,25,827
<b>Basic Earnings Per Share (in ₹)</b>	<b>12.49</b>	<b>13.65</b>
<b>Diluted Earnings Per Share</b>		
Profit for the year as per the Consolidated Statement of Profit and Loss	89.98	98.01
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share (in numbers)	7,22,00,024	7,21,82,981
<b>Diluted Earnings Per Share (in ₹)</b>	<b>12.46</b>	<b>13.58</b>
<b>Weighted average number of shares used as the denominator (in absolute numbers)</b>		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	7,20,50,196	7,18,25,827
Adjustment for calculation of diluted earning per share:		
Employees stock option [Refer Note below]	1,49,828	3,57,154
Weighted average number of shares used as the denominator for calculating diluted earnings per share	7,22,00,024	7,21,82,981

**Note - 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 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(B)(iii)].

**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 that represent unamortized amount of the subsidy referred below, with the corresponding adjustment to the carrying amount of property, plant and equipment [Refer note 3(a)].

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening balance	0.41	0.95
Grants during the year	0.89	-
Released to Consolidated Statement of Profit and Loss (Refer Note 28)	(0.41)	(0.54)
<b>Closing balance</b>	<b>0.89</b>	<b>0.41</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

Description	Year ended March 31, 2026	Year ended March 31, 2025
Current portion (Refer Note 24)	0.11	0.41
Non-current portion (Refer Note 20a)	0.78	-
<b>Total</b>	<b>0.89</b>	<b>0.41</b>

**Note 48(a) - Assets pledged as security**

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Current</b>		
<b>Financial assets</b>		
Trade receivables	710.39	479.38
Deposits with banks	7.24	5.85
Other financial assets	10.25	9.84
<b>Non-financial assets</b>		
Inventories	105.61	97.29
<b>Total Current assets pledged as security</b>	<b>833.49</b>	<b>592.36</b>
<b>Non-current</b>		
<b>Financial assets</b>		
Trade receivables	0.44	0.80
Investments	93.23	82.63
Deposit with bank	-	0.83
<b>Non-financial assets</b>		
Land	0.05	0.05
Building	16.13	16.95
Plant and Machinery	8.30	2.91
Investment Properties	0.02	0.03
Vehicles	1.15	2.03
<b>Total non-current assets pledged as security</b>	<b>119.32</b>	<b>106.23</b>
<b>Total assets pledged as security</b>	<b>952.81</b>	<b>698.59</b>

**Note 48(b) - Net debt reconciliation**

Particulars	As at March 31, 2026	As at March 31, 2025
Current borrowings (excluding current maturities of long - term debt)	(21.38)	(32.61)
Non - current borrowings	(33.12)	(22.54)
Current maturities of long term debt	(6.27)	(13.14)
Lease liabilities	(2.80)	(1.84)
<b>Total debt</b>	<b>(63.57)</b>	<b>(70.13)</b>
Cash and cash equivalents	123.94	51.19
<b>Net debt</b>	<b>60.37</b>	<b>(18.94)</b>



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

(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Other assets	Liabilities from financing activities			Total
	Cash and cash equivalents	Non-current borrowings including current maturity and accrued interest	Current borrowings	Lease liabilities	
<b>Net debt as at April 01, 2025</b>	<b>51.19</b>	<b>(35.68)</b>	<b>(32.61)</b>	<b>(1.84)</b>	<b>(18.94)</b>
Cash flows	72.75	(3.99)	11.71	1.07	81.54
Interest expense	-	(3.77)	(0.41)	(0.34)	(4.52)
Interest paid	-	3.56	0.41	0.34	4.31
Non-cash movements for acquisitions and disposals	-	-	-	(2.02)	(2.02)
<b>Net debt as at March 31, 2026</b>	<b>123.94</b>	<b>(39.88)</b>	<b>(20.90)</b>	<b>(2.79)</b>	<b>60.37</b>
<b>Net debt as at April 01, 2024</b>	<b>182.25</b>	<b>(44.25)</b>	<b>(37.42)</b>	<b>(0.46)</b>	<b>100.12</b>
Cash flows	(131.06)	8.53	4.81	0.56	(117.16)
Interest expense	-	(3.73)	(2.05)	(0.15)	(5.93)
Interest paid	-	3.77	2.05	0.15	5.97
Non cash movements for acquisitions and disposals	-	-	-	(1.94)	(1.94)
<b>Net debt as at March 31, 2025</b>	<b>51.19</b>	<b>(35.68)</b>	<b>(32.61)</b>	<b>(1.84)</b>	<b>(18.94)</b>

**Note 49**

(a) Investment in subsidiary:

- (i) On September 11, 2024 the Board of Directors of the Company approved a strategic investment of ₹ 0.60 in Pieflowtech Solutions Private Limited (PSPL), a Subsidiary company representing 60% of the paid-up share capital of PSPL.
- (ii) On July 19, 2025 the Board of Directors of the Company approved a strategic investment of ₹ 0.51 in Mafatlal Apparel Exports Private Limited (MAEPL), a Subsidiary company representing 51% of the paid-up share capital of MAEPL.

(b) The Board of Directors of the Company at its meeting held on November 14, 2022, approved the scheme of reduction and reorganization of capital ('Scheme') pursuant to the provisions of Section 230 and other applicable provisions of the Companies Act, 2013 which was also subsequently approved by the shareholders and creditors of the Company with Appointed Date as mentioned in the Scheme as April 01, 2022. The National Company Law Tribunal, Ahmedabad ('NCLT'), vide its order dated April 29, 2024 (the 'NCLT order') had approved the Scheme with the Appointed Date / Effective Date as March 31, 2024, in respect of which the Company had filed an interlocutory application on May 06, 2024 seeking modification with a plea to reinstate the Appointed date as April 1, 2022, in accordance with the Scheme filed on October 10, 2023. Accordingly, no accounting effect was given in the financial statements for the financial year ended March 31, 2024, which was further supported by a legal opinion obtained by the Company. The aforesaid interlocutory application was heard by the NCLT on June 13, 2024, where the Company additionally filed further application seeking change in Appointed Date to March 31, 2023. The NCLT vide its order dated June 27, 2024, allowed Appointed date as March 31, 2023. Accordingly, the Company has given the accounting effect to the reserves and surplus balances during the year. (Refer Note 17)


**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**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 subsidiaries	Place of business / country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests	
		As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Mafatlal Services Limited (MSL)	India	88.00%	88.00%	12.00%	12.00%
Pieflowtech Solutions Private Limited (PSPL)	India	60.00%	60.00%	40.00%	40.00%
Mafatlal Apparel Exports Private Limited (MAEPL)	India	51.00%	-	49.00%	-

**(b) Non-controlling interest (NCI)**

Set out below is summarized financial information of the non-controlling interest of the subsidiary before inter-company eliminations.

Summarized Balance Sheet	As at March 31, 2026	As at March 31, 2025
Current assets	0.94	0.30
Current liabilities	2.11	0.15
<b>Net current (liabilities) / assets</b>	<b>(1.17)</b>	<b>0.15</b>
Non-current assets	1.26	0.76
Non-current liabilities	0.25	0.07
<b>Net non-current assets</b>	<b>1.01</b>	<b>0.69</b>
<b>Net (liabilities) / assets</b>	<b>(0.16)</b>	<b>0.84</b>
<b>Accumulated NCI</b>	<b>(0.09)</b>	<b>0.33</b>

Summarized Statement of Profit and Loss	As at March 31, 2026	As at March 31, 2025
Revenue	4.20	0.84
Loss for the year	(2.00)	(0.21)
<b>Total comprehensive loss</b>	<b>(2.00)</b>	<b>(0.21)</b>
Loss allocated to NCI	(0.91)	(0.08)
Dividends paid to NCI	-	-

Summarized Cash Flows	As at March 31, 2026	As at March 31, 2025
Cash flows from operating activities	(0.15)	(0.08)
Cash flows from investing activities	(0.16)	-
Cash flows from financing activities	0.39	0.40
<b>Net increase in cash and cash equivalents</b>	<b>0.08</b>	<b>0.32</b>

**(c) Transactions with Non-Controlling interest**

Refer Note 42(1)(G)



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

(All amounts in ₹ Crores, unless otherwise stated)

**Note 51 - Additional regulatory information required by Schedule III**

Particulars	March 31, 2026		March 31, 2025	
	As a % of Consolidated	Amount	As a % of Consolidated	Amount
<b>Parent</b>				
Mafatlal Industries Limited				
Net Assets i.e Total assets minus total liabilities	100.19%	772.95	100.00%	741.36
Share in profit	102.25%	91.07	100.21%	98.14
Share in other comprehensive income	100.00%	(44.64)	100.00%	(167.60)
Share in total comprehensive income / (loss)	104.53%	46.43	99.70%	(69.46)
<b>Subsidiaries</b>				
Mafatlal Services Limited and Pieflowtech Solutions Private Limited (w.e.f. October 18, 2024) and Mafatlal Apparel Exports Private Limited (w.e.f July 19, 2025)				
Net Assets i.e. Total assets minus total liabilities	(0.19%)	(1.46)	0.00%	0.03
Share in loss	(2.25%)	(2.01)	(0.21%)	(0.21)
Share in other comprehensive income	-	-	-	-
Share in total comprehensive loss	(4.53%)	(2.01)	0.30%	(0.21)

**Note 52**

- (i) As legally advised, the Group has not recognized as income recovery of rent and other charges of ₹ 0.84 upto March 31, 2026 (₹ 0.84 upto March 31, 2025) 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 ₹ 5.78 and ₹ 2.84 was (towards interest accrued) 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 ₹ 5.78 and ₹ 2.84 has been included in other non-current financial liabilities (Refer Note 19).
- (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 activity of 10,000 spindles and the developer is required to construct and handover the same to the Group in accordance with the development laws, regulations and notification, this matter is subjudice.
- (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, in SSL for every 500 shares of ₹ 100/- each, fully paid-up, held in the Company as consideration for the demerger, aggregating to ₹ 0.01. As the shareholders of the Company would be entitled to receive only fractional shares of SSL, the rehabilitation scheme sanctioned by BIFR envisages that these shares would be acquired by Navin Fluorine International Limited (NFIL) and the shareholders of the Company would receive proportionate payment in consideration thereof. The Company has received the said amount of ₹ 0.01 from NFIL on behalf of the shareholders, which is pending disbursement upon completion of formalities.



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(All amounts in ₹ Crores, unless otherwise stated)

**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 entities other than Holding Company are as under:

Name of the entity	% Holding of the Group	
	As at March 31, 2026	As at March 31, 2025
Mafatlal Services Limited (subsidiary incorporated in India)	88.00%	88.00%
Ibiza Industries Limited [Refer Note (a) below]	54.89%	54.89%
Sunanda Industries Limited [Refer Note (a) below]	94.00%	94.00%
Al Fahim Mafatlal Textile LLC-UAE [Refer Note (b) below]	49.00%	49.00%
Mafatlal Engineering Industries Limited [Refer Note (c) below] (incorporated in United Kingdom)	22.18%	22.18%
Pieflowtech Solutions Private Limited (subsidiary incorporated in India) (w.e.f. October 18, 2024)	60.00%	60.00%
Mafatlal Apparel Exports Private Limited (subsidiary incorporated in India) (w.e.f. July 19, 2025)	51.00%	-

- (a) 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.
- (b) 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 statements have not been considered for consolidation.
- (c) 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.

**Note 54 - Details of Research and Development**

Details of research and development expenditure recognized as expense:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Employee benefits expense	1.00	0.95
Consumables	0.10	0.08
Repairs and Maintenance	0.11	0.06
<b>Total</b>	<b>1.21</b>	<b>1.09</b>

**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.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(All amounts in ₹ Crores, unless otherwise stated)

### (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

Refer Note 49(b)

### (v) Valuation of Property, plant and equipment, intangible assets and investment property

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or investment properties 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 ₹ Crores, 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) 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 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 55(a) - Events occurring after reporting period**

Refer Note 17(a) for the final dividend recommended by the Board of Directors which is subject to the approval of shareholders in the ensuing annual general meeting.

**Note 56** - The consolidated Financial Statements were authorized for issue by the Board of Directors on May 05, 2026.

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

**In terms of our report attached**

**For Price Waterhouse Chartered Accountants LLP**    **For and on behalf of the Board of Directors**  
 Firm Registration No. 012754N / N500016

**Pankaj Khandelvia**  
 Partner  
 Membership No.: 102022

Place: Mumbai  
 Date: May 05, 2026

**H. A. Mafatlal**  
 Chairman  
 (DIN: 00009872)

Place: Mumbai  
 Date: May 05, 2026

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

Place: Mumbai  
 Date: May 05, 2026

**Smita Jhanwar**  
 Chief Financial Officer

Place: Mumbai  
 Date: May 05, 2026

**A. P. Shah**  
 Company Secretary  
 (Membership No.: ACS20622)

Place: Mumbai  
 Date: May 05, 2026



## 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 statements of the subsidiary and joint venture.

### Part "A" Subsidiaries

(All amounts in ₹ Crores, unless otherwise stated)

Sr. No.	Particulars	Mafatlal Services Limited	Pieflowtech Solutions Private Limited	Mafatlal Apparel Exports Private Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	<b>April 01, 2025, to March 31, 2026</b>	<b>April 01, 2025, to March 31, 2026</b>	<b>July 19, 2025, to March 31, 2026 (Date of incorporation)</b>
2	Date of acquisition	-	-	-
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the each of foreign subsidiaries	NA	NA	NA
4	Share capital	3.10	1.00	1.00
5	Other Equity	(3.05)	(0.92)	(1.29)
6	Total assets	0.20	0.92	1.09
7	Total Liabilities	0.15	0.84	1.38
8	Investments	-	-	-
9	Turnover	0.46	3.31	0.34
10	Profit before taxation	-	(0.71)	(1.29)
11	Provision for taxation	-	-	-
12	Profit after taxation	-	(0.71)	(1.29)
13	Proposed Dividend	-	-	-
14	% of shareholding	88%	60%	51%

- Names of subsidiaries which are yet to commence operations: **None**.
- Names of subsidiaries which have been liquidated or sold during the year: **None**.

**Part 'B' Associates and Joint Ventures – Not applicable.**



## INSTRUCTIONS TO THE SHAREHOLDERS FOR E-VOTING, ATTENDING AGM THROUGH VIDEO CONFERENCING, REGISTERING AS SPEAKER ETC.

This is to inform you that the **112<sup>th</sup> Annual General Meeting ('AGM')** is scheduled to be held on **Friday, August 07, 2026, at 3:30 p.m. (IST)** through video conferencing ('VC')/other audio-visual means ('OAVM').

The Annual Report for 2025-26 along with Notice of the AGM is available and can be download from the Company's website, <https://www.mafatlals.com/> under the 'Investors' section and on the website of KFin Technologies Limited ('KFinTech') the Registrar and Share Transfer Agents (RTA) of the Company <https://evoting.kfintech.com/>.

Please note that the Ministry of Corporate Affairs (MCA) and SEBI have vide their various circulars permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue.

Accordingly, in compliance with the applicable circulars issued by MCA and SEBI and the relevant provisions of the Companies Act, 2013 (the Act) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the AGM of the Company is being held through VC/OAVM.

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 the electronic voting system (remote e-voting) provided by KFinTech and digital voting during the AGM to those members who have not voted through remote e-voting.

The e-voting period commences on **Tuesday, August 04, 2026 (9:00 a.m. IST) and ends on Thursday, August 06, 2026 (5:00 p.m. IST)**.

During this period, Members holding shares either in physical form or in dematerialized form as on **Friday, July 31, 2026, 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 at 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 **Friday, July 31, 2026** (cut-off date). Any person, who is a Member of the Company as on the cut-off date is eligible to cast their 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 AND ATTENDANCE AT AGM:

1. e-AGM: The 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 authorized 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.



## INSTRUCTIONS TO THE SHAREHOLDERS FOR E-VOTING (Contd.)

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 e-mail 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 e-mail IDs may send an e-mail request to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.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 held in physical mode, please provide folio number, 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 DP ID-Client ID (8-digit DP ID + 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 Members' registered e-mail IDs; (d) After this, Member may follow the remote e-voting instructions given in this 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 access, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
5. Please note that participants connecting through mobile devices, tablets, or laptops using mobile hotspots may experience audio/video loss due to fluctuations in their respective networks. It is therefore recommended to use a 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.kfintech.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, e-mail ID, mobile number. Please note that Members' questions will be answered only if the shareholder continues to hold the shares as of the cut-off date as per 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.

### 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.kfintech.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.
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.kfintech.com> and click on Speaker Registration, by mentioning the demat account number/folio number, city, e-mail 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 e-mail address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at [agm.speaker@mafatlals.com](mailto:agm.speaker@mafatlals.com) from Sunday, August 02, 2026 (9:00 a.m. IST) to Tuesday, August 04, 2026 (5:00 p.m. IST).



## INSTRUCTIONS TO THE SHAREHOLDERS FOR E-VOTING (Contd.)

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 e-mail their questions in advance concerning the financial statements or any other matters till **5.00 p.m. (IST), on Saturday, August 01, 2026, at [agm.speaker@mafatlals.com](mailto:agm.speaker@mafatlals.com).**

### REMOTE VOTING THROUGH ELECTRONIC MEANS:

In terms of the provisions of Section 108 of the Act 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 of **Friday, July 31, 2026** (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. A person who is not a Member as on the cut-off date should treat this Notice for information purpose 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 e-mail.
- 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 e-mail. 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 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 uppercase (A-Z), one lowercase (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 held by you (which represents the number of votes) as on the cut-off date will appear. If you desire to cast all the votes assenting or 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 the relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who is/are authorized to vote to the scrutinizer through e-mail at [umesh@umeshvedcs.com](mailto: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.'

**INSTRUCTIONS TO THE SHAREHOLDERS FOR E-VOTING (Contd.)**

- xii. Members can cast their vote online from **Tuesday, August 04, 2026 (9.00 a.m. IST) till Thursday, August 06, 2026 (5.00 p.m. IST)**. 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 309 4001 (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 e-mail ID in their demat accounts to access e-voting facility.

Individual Members (holding securities in demat mode) login through Depository.

**Login methods for Individual Members holding securities in demat mode are given below:**

<b>NSDL</b>	<b>CDSL</b>
<p><b>1. Users already registered for IDeAS facility:</b></p> <p>URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</p> <p>Click on the 'Beneficial Owner' icon under 'IDeAS' section.</p> <p>On the new page, enter user ID and password. Post successful authentication, click on 'Access to e-voting.'</p> <p>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.</p>	<p><b>1. Existing users who have opted for Easi/Easiest:</b></p> <p>URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a> Click on New System Myeasi</p> <p>Login with user id and password.</p> <p>Option will be made available to reach e-voting page without any further authentication.</p> <p>Click on e-voting service provider name to cast your vote.</p>
<p><b>2. User not registered for IDeAS e-Services:</b></p> <p>To register click on link : <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> Select "Register Online for IDeAS".</p> <p>Proceed with completing the required fields.</p> <p>After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.</p>	<p><b>2. User not registered for Easi/Easiest:</b></p> <p>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login and New System Myeasi Tab and then click on registration option.</p> <p>Proceed with completing the required fields.</p> <p>After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.</p>
<p><b>3. By visiting the e-voting website of NSDL URL:</b></p> <p><a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></p> <p>Click on the icon 'Login' which is available under 'Shareholder/Member' section.</p> <p>Enter user ID (i.e., 16-digit demat account number held with NSDL), password/OTP and a verification code as shown on the screen.</p> <p>Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page.</p> <p>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.</p>	<p><b>3. By visiting the e-voting website of CDSL URL:</b></p> <p><a href="http://www.cdslindia.com">www.cdslindia.com</a>.</p> <p>Provide demat account number and PAN No.</p> <p>System will authenticate user by sending OTP on registered mobile and e-mail as recorded in the demat Account.</p> <p>After successful authentication, user will be provided links for the respective ESP where the e-voting is in progress.</p>



**INSTRUCTIONS TO THE SHAREHOLDERS FOR E-VOTING (Contd.)**

Shareholders/Members can also download NSDL Mobile App 'NSDL Speede' facility by scanning the QR code mentioned below for seamless voting experience.



**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 options 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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> 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 e-mail.
- 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 e-mail. 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.
- 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 reason.
- xiv. 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 **Friday, July 31, 2026**. Any person who becomes a Member of the Company holding shares after the cut-off date i.e., **Friday, July 03, 2026**, 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 E-Voting Event Number + Folio No. or DP ID and Client ID to No. 9212993399 Example for NSDL: MYEPWD IN12345612345678 Example for CDSL: MYEPWD 1402345612345678 Example for Physical: MYEPWD 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 enter Folio No. or DP ID and Client ID and PAN to generate a new password.



## INSTRUCTIONS TO THE SHAREHOLDERS FOR E-VOTING (Contd.)

- (c) You may also send an e-mail request to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
- xv. Members who have not registered their e-mail address and to whom, consequently the Annual Report, Notice of AGM and e-voting instructions cannot be sent. Members are requested to follow the process as guided to capture the e-mail address and mobile number for sending the soft copy of the Notice and e-voting instructions along with the user ID and password. In case of any queries, member may write to [einward.ris@kfintech.com](mailto: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 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 available during the e-AGM.

### **ASSISTANCE FOR AGM RELATED MATTERS:**

Members who need assistance before or during the AGM, can connect with the Kfintech team, Mr. Ratan Babu (Assistant Vice President) at e-mail: [atan.babu@kfintech.com](mailto:atan.babu@kfintech.com) or Ms. Janhavi Joshi (Manager) at e-mail: [janhavi.joshi@kfintech.com](mailto:janhavi.joshi@kfintech.com) or Tele. No. 040 67161769 or the Company's officials Mr. Harsh Patel, Sr. Manager/ Mr. Dinesh Patni, Asst. Manager at 079-2644 4404-06 or may e-mail query at [ahmedabad@mafatlals.com](mailto:ahmedabad@mafatlals.com).









ARVIND MAFATLAL GROUP  
The ethics of excellence



*Mafatlal*<sup>®</sup>

## MAFATLAL INDUSTRIES LIMITED

301-302, Heritage Horizon, 3<sup>rd</sup> Floor, Off. C. G. Road, Navrangpura, Ahmedabad – 380009

Telephone: +91-79-26444404-06

[www.mafatlals.com](http://www.mafatlals.com) | Email: [ahmedabad@mafatlals.com](mailto:ahmedabad@mafatlals.com)