

CIN: L17110GJ1913PLC000035

Regd. Office: 301-302, Heritage Horizon, 3rd Floor, off. C.G. Road, Navrangpura,
Ahmedabad-380 009

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NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF MAFATLAL INDUSTRIES LIMITED PURSUANT TO ORDER DATED 19TH DECEMBER 2023 OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH.

| MEETING | |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Day | Wednesday |
| Date | 24th January 2024 |
| Time | 11.00AM (IST) |
| Mode of meeting | As per the directions of the Hon'ble National Company Law Tribunal, Ahmedabad Bench, the Meeting shall be conducted through Video Conferencing or Other Audio-Visual Means |
| Cut-off date for e-voting | Friday, 12th January 2024 |
| Remote e-voting start date and time | Sunday 21st January 2024 at 9.00 AM (IST) |
| Remote e-voting end date and time | Tuesday 23rd January 2024 at 5.00 PM (IST) |

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FORM No. CAA-2

[Pursuant to Section 230(3) of the Companies Act, 2013 and Rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD
BENCH**

CA (CAA) No. 61(AHM)2023

**IN THE MATTER OF SECTION 230(1) OF THE COMPANIES ACT, 2013
AND IN THE MATTER OF THE SCHEME OF ARRANGEMENT BETWEEN
MAFATLAL INDUSTRIES LIMITED AND ITS SHAREHOLDERS**

Mafatlal Industries Limited, a company incorporated under)
the Indian Companies Act, 1882, being a company within the)
meaning of the Companies Act, 2013, having Corporate)
Identity Number: L17110GJ1913PLC000035 and its)
Registered Office at 301-302, Heritage Horizon, 3rd Floor,)
off. C.G. Road, Navrangpura, Ahmedabad-380 009)
in the State of Gujarat.) ... Company

**NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF
MAFATLAL INDUSTRIES LIMITED**

To,
The Equity Shareholders of
Mafatlal Industries Limited

1. NOTICE is hereby given that, in accordance with the Order dated 19th December, 2023 in the above mentioned Company Application, passed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("Tribunal") ("Tribunal Order"), a meeting of the Shareholders of the Company, will be held for the purpose of their considering, and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Mafatlal Industries Limited ("Company") and its shareholders ("Scheme") on **Wednesday, 24th January 2024 at 11.00 a.m. (IST)**.
2. Pursuant to the said Tribunal Order and as directed therein, the Meeting of the Equity Shareholders of the Company ("Meeting") will be held through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), in compliance with the applicable provisions of the Companies Act, 2013 ("Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), SEBI Master Circular dated 11th July 2023 (SEBI Master Circular), Circular dated Circular dated 25th September, 2023 and 7th October, 2023 issued by the Ministry of Corporate Affairs(MCA Circular), and Secretarial Standard on General Meetings as issued by the Institute of Company Secretaries of India ('SS-2') to consider, and if thought fit, to pass, with or without modification(s), the following resolution for approval of the Scheme by requisite majority as prescribed under Section 230(1) and (6) read with Section 232(1) of the Act, as amended:

"RESOLVED THAT pursuant to the provisions of Section 230 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016,

circulars and notifications made thereunder and other applicable provisions, if any (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, read with other applicable SEBI Master Circular, Circulars, the Observation Letter issued by BSE Limited, in this regards and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble jurisdictional National Company Law Tribunal, Ahmedabad Bench ("Tribunal") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be deemed appropriate by the Company, at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or as may be prescribed or imposed by the tribunal or by any regulatory or other authorities, while granting such approvals, permissions and sanctions, the arrangement embodied in the proposed Scheme of Arrangement between Mafatlal Industries Limited & its shareholders ("Scheme"), be and is hereby approved;

***"RESOLVED FURTHER THAT* the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this Resolution and effectively implement the arrangement embodied in the Scheme and to make any modifications or amendments to the Scheme at any time and for any reason whatsoever, and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper, without being required to seek any further approval of the Shareholders and the Shareholders shall be deemed to have given their approval thereto expressly by authority under this Resolution ."**

3. **TAKE FURTHER NOTICE** that the Equity Shareholders shall have the facility and option of voting on the resolution for approval of the Scheme by casting their votes: (a) by remote electronic voting during the period as stated below ("remote e-Voting"); or (b) through e-Voting system available at the Meeting to be held virtually ("e-Voting at the Meeting"):

| REMOTE E-VOTING PERIOD | |
|------------------------|--------------------------------------------------------|
| Commencement of voting | Sunday 21 st January 2024 at 9.00 AM (IST) |
| End of voting | Tuesday 23 rd January 2024 at 5.00 PM (IST) |

4. A copy of the said Scheme, statement under Sections 230 read with Section 102 and other applicable provisions of the Act and Rule 6 of the CAA Rules along with all annexures to such statement are appended. A copy of this Notice and the accompanying documents are also placed on the website of the Company www.mafatlals.com and can be accessed at the website of KFin Technologies Limited at <https://evoting.kfintech.com/>, being the agency appointed by the Company to provide the e-Voting and other facilities for convening of the Meeting and the website of the Stock Exchanges i.e., BSE Limited ("BSE") viz. www.bseindia.com.

5. The Tribunal has appointed Mr. Anilkumar B., Advocate, to be the Chairperson for the Meeting and Mr. Hitesh Buch, Practicing Company Secretary, to be the Scrutinizer for the Meeting.
6. The Scheme, if approved at the aforesaid Meeting, will be subject to the subsequent sanction of the Tribunal and such other approvals, permissions and sanctions of regulatory or other authorities, as may be necessary.
7. Since this Meeting is being held, pursuant to the Order passed by the tribunal and in compliance with the MCA Circulars and the Circulars issued by SEBI, through VC/OAVM, physical attendance of the Equity Shareholders has been dispensed with. Accordingly, the facility for appointment of proxies by the Equity Shareholders will not be available for the present Meeting and hence, the Proxy Form, Attendance Slip and Route Map of the venue are not annexed to this Notice. However, in pursuance of Sections 112 and 113 of the 2013 Act, authorized representatives of institutional/corporate shareholders may be appointed for the purpose of voting through remote e-voting, for participation in the Meeting through VC/OAVM facility and e-voting during the Meeting provided that such equity shareholder sends a scanned copy (PDF/JPG Format) of its board or governing body resolution/authorization etc., authorizing its representative to attend the Meeting through VC/OAVM on its behalf, vote through e-voting during the Meeting and/or to vote through remote e-voting.
8. A copy of the explanatory statement, under Sections 230(3) and 102 of the Companies Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any other applicable provisions of Companies Act and the rules made thereunder, the Scheme and the other enclosures as indicated in the Index are enclosed herewith.

For Mafatlal Industries Limited

Place: Ahmedabad.

Date: 22nd December 2023

Sd/-

Anilkumar B., Advocate

Chairman appointed by the Tribunal for the meeting.

Registered Office:

301-302, Heritage Horizon,
3rd Floor, off. C.G. Road, Navrangpura,
Ahmedabad-380 009

Tele. No. 079-26444404-06. Fax No.079-26444403

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CIN: L17110GJ1913PLC000035

Notes:

1. Pursuant to the directions of the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("Tribunal") vide its Order dated 19th December 2023 ("Tribunal Order"), the Meeting of the Equity Shareholders of the Company is being conducted through video conferencing ("VC") / other audio-visual means ("OAVM") facility to transact the business set out in the Notice convening this Meeting. The deemed venue for the Meeting shall be the Registered Office of the Company situated at 301-302, Heritage Horizon, 3rd Floor, off. C.G. Road, Navrangpura, Ahmedabad-380 009, Gujarat.
2. The Statement pursuant to Sections 230 read with Section 102 and other applicable provisions of the Companies Act, 2013 ("Act") and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in respect of the business set out in the Notice of the Meeting is annexed hereto.
3. Pursuant to the directions of the Tribunal given under the Tribunal Order and Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, Regulation 44 of the SEBI (LODR) Regulations, 2015 read with SEBI Master Circular, SS-2, and in accordance with the requirements prescribed by the Ministry of Corporate Affairs ('MCA') for holding general meetings through e-voting vide various MCA Circulars, the Company is providing to the Shareholders the facility to exercise their right to vote at the Meeting by electronic means, i.e. remote e-Voting and e-Voting at the Meeting (hereinafter referred to as "e-Voting"). For this purpose, the Company has entered into an agreement with KFin Technologies Limited, for facilitating voting through electronic means, as the authorized agency.
4. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the RTA / Depositories as on the Cut-off Date, Friday 12th January 2024 only shall be eligible for participation in remote e-Voting (e-Voting from a place other than venue of the meeting) and voting at the Meeting. Please note that Members can opt for only one mode of voting i.e., either by voting at the Meeting or remote e-Voting. If Members opt for remote e-Voting, then they should not vote at the Meeting and vice versa. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-Voting prior to the date of the Meeting can attend the Meeting and participate in the Meeting but shall not be entitled to cast their vote again. A person who is not a shareholder as on the Cut-off Date, should treat the Notice for information purpose only.
5. Since this Meeting is being held through VC / OAVM, physical attendance of Equity Shareholders have been dispensed with. Accordingly, the facility for appointment of proxies by the Shareholders will not be available for the Meeting, and hence the Proxy Form, Attendance Slip and Route Map are not annexed hereto. Body Corporates are entitled to appoint authorised representatives to attend the Meeting through VC/OAVM and participate there at and cast their votes by electronic means. The voting by the said authorized representative(s) is permitted, provided that the authorisation, duly signed, is lodged with the Company, in physical at its registered office or by electronic mode, at least 48 (Forty-Eight) hours before the Meeting.

6. 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. The attendance of the Members attending the Meeting through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. The Notice of the Meeting and the accompanying documents are being sent only through electronic mail to those shareholders (as on 20th December 2023) whose email addresses are registered with the Registrar and Transfer Agent (“RTA”) / Depositories.
8. The shareholders may note that the aforesaid documents are also available on the website of the Company at www.mafatlals.com and on the website of the BSE Limited at www.bseindia.com respectively, and the website of KFin Technologies Limited at www.kfintech.com, being the agency appointed by the Company to provide VC / OAVM and e-Voting facility for the Meeting. In terms of the directions contained in the Order, the advertisement of the Meeting will be published in the “Financial Express” (All India edition, in English) and “Financial Express” (Ahmedabad edition, in Gujarati) indicating the day, date, mode and time of the Meeting.

If so desired, shareholders may obtain a physical copy of these documents free of charge from the registered office of the Company on any day between 11.00 a.m. (IST) to 5.30 p.m. (IST) (except Saturday, Sunday and public holiday) up to the date of the meetings. Alternatively, a written request for obtaining physical / soft copy of these documents may be made by writing an e-mail in this regard to the Company Secretary at ahmedabad@mafatlals.com or amish.shah@mafatlals.com along with details such as demat account no./ Folio no., name, address, Permanent Account Number (PAN), mobile number and email address.

9. Mr. Hitesh Buch, Practicing Company Secretary shall act as Scrutinizer to scrutinize the remote e-Voting process of Meeting in a fair and transparent manner. The Scrutinizer will, after the conclusion of e-Voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-Voting, make a consolidated Scrutinizer’s Report and submit the same to the Chairman of the Meeting. The result of e-Voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutinizer’s Report, will be placed on the website of the Company: www.mafatlals.com and on the website of KFin Technologies Limited at <https://evoting.kfintech.com/>. The result will simultaneously be communicated to the BSE Limited (Stock Exchange).
10. The Resolution proposed in the Notice shall be deemed to have been passed on the date of the Meeting upon receipt of requisite majority of votes in favour, i.e., majority in number representing three fourth in value of total voting (as per Sections 230 of the Act).
11. Documents for inspection as referred to in the Notice will be available electronically for inspection (without any fee) by the shareholders from the date of circulation of this Notice up to the date of Meeting. Shareholders seeking to inspect such documents can access the same on the website of the Company at: www.mafatlals.com.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING MEETING ARE AS UNDER:-

Members are requested to follow the instructions below to cast their vote through e-voting:

- i. In compliance with 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, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to the E-voting facility provided by the listed entities, the members are provided with the facility to cast their vote electronically, through the e-Voting services provided by M/s KFin Technologies Limited (KFintech), on all the resolutions outlined in this Notice. The instructions for e-Voting are given hereinbelow.
- ii. However, under SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on “e-voting facility provided by Listed Companies”, e-voting process has been enabled to all the individual Demat account holders, by way of a single login credential, through their Demat accounts/websites of Depositories / DPs to increase the efficiency of the voting process.
- iii. Individual Demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in the e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access the e-Voting facility.
- iv. The remote e-voting period commences from 9.00 a.m. (IST) on Sunday 21st January 2024, and ends at 5.00 p.m. (IST) on Tuesday 23rd January 2024.
- v. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as of the cut-off date i.e. Friday, 12th January 2024.
- vi. Any person holding shares in physical form and non-individual shareholders, who acquire shares of the Company and becomes a member of the Company after sending the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he/she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.
- vii. In case of Individual Shareholders holding securities in Demat mode and who acquires shares of the Company and becomes a member of the Company after sending the Notice and holding shares as of the cut-off date may follow the steps mentioned below under “Login method for remote e-Voting and joining the virtual meeting for Individual shareholders holding securities in Demat mode.
- viii. The details of the process and manner for remote e-Voting and e-Meeting are explained hereinbelow:

Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in Demat mode.

Step 2: Access to KFintech e-Voting system in case of shareholders holding share in physical and non-individual shareholders in Demat mode.

Step:3: Access to join virtual meetings(e-Meeting) of the Company on the KFintech system to participate in e-Meeting and vote at the Meeting.

Details on Step 1 are mentioned below:

- I. Login method for remote e-Voting for Individual shareholders holding securities in Demat mode.

| Type of shareholders | Login Method |
|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in Demat mode with NSDL | <p>1. User already registered for IDeAS facility:</p> <ol style="list-style-type: none"> Visit URL: https://eservices.nsdl.com Click on the “Beneficial Owner” icon under “Login” under the ‘IDeAS’ section. On the new page, enter the User ID and Password. Post successful authentication, click on “Access to e-Voting”. Click on the company name or e-Voting service provider and you will be redirected to the e-Voting service provider’s website for casting the vote during the remote e-Voting period. <p>2. User not registered for IDeAS e-Services:</p> <ol style="list-style-type: none"> To register, click on the link: https://eservices.nsdl.com. Select “Register Online for IDeAS” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. Proceed with completing the required fields. Follow the steps given in points 1. <p>3. Alternatively by directly accessing the e-Voting website of NSDL Open URL: https://www.evoting.nsdl.com/</p> <ol style="list-style-type: none"> Click on the icon “Login” which is available under the ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit Demat account number held with NSDL), Password / OTP, and a Verification Code as shown on the screen. Post successful authentication, you will request to select the name of the company and the e-Voting Service Provider name, i.e. fintech. <p>On successful selection, you will be redirected to the KFintech e-Voting page for casting your vote during the remote e-Voting period.</p> |
| Individual Shareholders holding securities in Demat mode | <p>1. Existing users who have opted for Easi / Easiest:</p> <ol style="list-style-type: none"> Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com Click on New System Myeasi |

| | |
|-----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| with CDSL | <ul style="list-style-type: none"> iii. Login with your registered user id and password. iv. The user will see the e-Voting Menu. The Menu will have links to ESP i.e. KFintech e-Voting portal. v. Click on the e-Voting service provider name to cast your vote. <p>2. User not registered for Easi/Easiest:</p> <ul style="list-style-type: none"> i. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration ii. Proceed with completing the required fields. iii. Follow the steps given in point 1. <p>3. Alternatively, by directly accessing the e-Voting website of CDSL:</p> <ul style="list-style-type: none"> i. Visit URL: www.cdslindia.com ii. Provide your Demat Account Number and PAN No. iii. System will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. iv. After successful authentication, the user will be provided links for the respective ESP, i.e KFintech where the e-Voting is in progress. |
| Individual Shareholder login through their Demat accounts / Website of Depository Participant | <ul style="list-style-type: none"> i. You can also log in using the login credentials of your Demat account through your DP registered with NSDL /CDSL for the e-Voting facility. ii. Once logged in, you will be able to see the e-Voting option. Once you click on the e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see the e-Voting feature. iii. Click on options available against company name or e-Voting service provider – KFintech and you will be redirected to the e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication. |

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to log in through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities held with NSDL | Please contact the NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll-free no.: 1800 1020 990 and 1800 22 44 30 |
| Securities held with CDSL | Please contact the CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

Details on Step 2 are mentioned below:

- II) Login method for e-Voting for shareholders other than Individual shareholders holding securities in Demat mode and shareholders holding securities in physical mode.

- (A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID, and password. They will have to follow the following process:
- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>.
 - ii. Enter the login credentials (i.e. User ID and password). In the case of the physical folio, the User ID will be EVEN (E-Voting Event Number) XXXX, followed by the folio number. In the case of the Demat account, the User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
 - iii. After entering these details appropriately, click on “Log in”.
 - iv. You will now reach the password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9), and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on the first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to log in again with the new credentials.
 - vi. On successful login, the system will prompt you to select the “EVEN” i.e., ‘Mafatlal Industries Limited- Meeting’ and click on “Submit”.
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as mentioned hereinabove. You may also choose the option ABSTAIN. If the member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
 - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ Demat account.
 - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and clicking on “Submit”.
 - xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, members can log in any number of times till they have voted on the Resolution(s).

- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the Meeting through VC / OAVM on its behalf and to cast its vote through remote e-voting, together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer's email id pcs.buchassociates@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name Even No."
- (B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM/EGM, other meetings and e-voting instructions cannot be serviced, will have to follow the following process:
- i. Members are requested to follow the process as guided to capture the email 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, a member may write to einward.ris@kfintech.com.
 - ii. Alternatively, a member may send an e-mail request at the email id einward.ris@kfintech.com along with a scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of the electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM/EGM and the e-voting instructions.
 - iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

- III) Instructions for all the shareholders, including individuals, other than Individual and Physical, for attending the Meeting of the Company through VC/OAVM and e-Voting during the meeting.
- i. Member will be provided with a facility to attend the Meeting through VC / OAVM platform provided by KFintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. 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 above.
 - ii. Facility for joining the Meeting though VC/ OAVM shall open at least 15 minutes before the commencement of the Meeting.
 - iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. Therefore, it is recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the Meeting is being conducted through VC / OAVM, for the smooth conduct of proceedings of the Meeting, members are encouraged to express their views / send their queries in advance mentioning their name, Demat account number/folio number, email id, mobile number at ahmedabad@mafatlals.com. Questions /queries received by the Company till Thursday 18th January 2024 (5.00 p.m. IST) shall only be considered and responded to during the Meeting.
- vi. The members who have not cast their vote through remote e-voting shall be eligible to cast their vote through the e-voting system available during the Meeting. E-voting during the Meeting is integrated with the VC / OAVM platform. The members may click on the voting icon displayed on the screen to cast their votes.
- vii. A member can opt for only a single mode of voting i.e., through remote e-voting or voting at the Meeting. If a member cast votes by both modes, then voting done through remote e-voting shall prevail and voting at the Meeting shall be treated as invalid.
- viii. Facility of joining the Meeting through VC / OAVM shall be available for members on a first-come-first-served basis.
- ix. Institutional members are encouraged to attend and vote at the Meeting through VC /OAVM.
- x. The members who wish to speak during the meeting may register themselves as speakers for the Meeting to express their views. They can visit <https://emeetings.kfintech.com> and log in through the user id and password provided in the mail received from KFintech. On successful login, select 'Speaker Registration' which will be opened during the period starting from Tuesday 16th January 2024 (9.00 a.m. IST) up to Thursday 18th January 2024 (5.00 p.m. IST). Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the Meeting to only those members who have registered themselves, depending on the availability of time for the Meeting.
- xi. The members who wish to post their questions before the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from KFintech. On successful login, select the 'Post Your Question' option which will open from Tuesday 16th January 2024 (9.00 a.m. IST) up to Thursday 18th January 2024 (5.00 p.m. IST).
- xii. In case of any query and/or grievance, in respect of voting by electronic means, members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFintech Website) or call KFintech's toll-free No. 1-800-309-4001 for any further clarifications.

- xiii. The Members, whose names appear in the Register of Members/list of Beneficial Owners as of Friday, 12th January 2024, being the cut-off date, are entitled to vote on the resolutions outlined in this Notice. A person who is not a member as of the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the member, the member shall not be allowed to change it subsequently.
- xiv. In case a person has become a member of the Company after dispatch of Meeting Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
 - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399.
 - 1. Example for NSDL:
 - 2. MYEPWD <SPACE> IN12345612345678
 - 3. Example for CDSL:
 - 4. MYEPWD <SPACE> 1402345612345678
 - 5. Example for Physical:
 - 6. MYEPWD <SPACE> XXXX1234567890
 - ii. If the e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - iii. Members who may require any technical assistance or support before or during the Meeting are requested to contact KFintech at toll-free number 1-800-309-4001 or write to them at evoting@kfintech.com.
- ix. The Tribunal has appointed Mr. Hitesh Buch, Practicing Company Secretary to act as a Scrutinizer, to scrutinize the entire voting process in a fair and transparent manner.
- x. The electronic voting results along with the Scrutinizer’s Report will be placed on the website of the Company and the Stock Exchange within 48 hours of the conclusion of the Meeting.

**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD
BENCH**

CA (CAA) No. 61(AHM)2023

**IN THE MATTER OF SECTION 230(1) OF THE COMPANIES ACT, 2013
AND IN THE MATTER OF THE SCHEME OF ARRANGEMENT BETWEEN
MAFATLAL INDUSTRIES LIMITED AND ITS SHAREHOLDERS**

Mafatlal Industries Limited, a company incorporated under)
the Indian Companies Act, 1882, being a company within the)
meaning of the Companies Act, 2013, having Corporate)
Identity Number: L17110GJ1913PLC000035 and its)
Registered Office at 301-302, Heritage Horizon, 3rd Floor,)
off. C.G. Road, Navrangpura, Ahmedabad-380 009)
in the State of Gujarat) ... Company

**EXPLANATORY STATEMENT PURSUANT TO SECTIONS 230 AND OTHER
APPLICABLE PROVISIONS OF THE ACT, READ WITH SECTION 102 AND OTHER
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ("ACT") AND RULE 6
OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND
AMALGAMATIONS) RULES, 2016 ("CAA RULES") TO THE NOTICE OF THE
MEETING OF EQUITY SHAREHOLDERS OF MAFATLAL INDUSTRIES LIMITED
CONVENED PURSUANT TO ORDER OF THE HON'BLE NATIONAL COMPANY LAW
TRIBUNAL, AHMEDABAD BENCH ("TRIBUNAL") DATED 19TH DECEMBER 2023
("TRIBUNAL ORDER").**

I. MEETING FOR THE SCHEME

This is a Statement accompanying the Notice convening the meeting of equity shareholders of Mafatlal Industries Limited ("Company"), for the purpose of their considering and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Mafatlal Industries Limited and its shareholders ("Scheme"). The Scheme provides for reduction and reorganization of capital of the Company, in accordance with the terms of the Scheme, under Section 230 and other applicable provisions of the Act.

A copy of the Scheme is attached hereto as **Annexure I**.

II. RATIONALE AND BENEFITS OF THE SCHEME

The circumstances which justify and/or have necessitated the said Scheme and the benefits of the same are, inter alia, as follows:

- a) The Company has suffered substantial losses during the past few years, due to which the Company's retained earnings had turned negative.
- b) During the financial years 2020-21 and 2021-22, the Company implemented several strategic cost control measures, and evolved towards an asset-light model marked by lower overheads and liabilities.
- c) During the financial year 2021-22, the Company further strengthened the effectiveness of its manufacturing operations, improved the inventory turnaround time and widened its marketing cum distribution network.

- d) Despite generating substantial profits during the financial year 2021-22, the Company continues to carry a debit balance of Retained Earnings on its balance sheet as on 31st March 2022. At the same time, the Company has unutilized balances lying under various reserves, which are neither earmarked for any specific purpose, nor have any lien marked thereon and/or obligation attached thereto.
- e) In the circumstances, the Company is of the view that the financial statements of the Company are not reflective of its true current financial health and therefore, it is necessary to reduce and reorganize the capital of the Company.
- f) The proposed Scheme proposes to set-off the debit balance of Retained Earnings of the Company against the credit balance lying in its Reserves (inter alia the Securities Premium).
- g) The proposed reduction and reorganization of the capital is in the interest of the Company, its shareholders, creditors and all concerned stakeholders. If the Scheme is approved, the books of the Company would present a fair representation of the financial position of the Company and would enable the Company to explore opportunities for the benefit of its shareholders.

III. BACKGROUND OF THE COMPANY

1. Mafatlal Industries Limited (the Company) is a public company incorporated under Indian Companies Act, 1882 having Corporate Identity Number: **L17110GJ1913PLC000035** and its Registered Office at 301-302, Heritage Horizon, 3rd Floor, off. C.G. Road, Navrangpura, Ahmedabad-380 009 in the State of Gujarat. It was incorporated on 20th January 1913, under the name “The New Shorrock Spinning & Manufacturing Company Limited”. It was subsequently renamed to Mafatlal Industries Limited on 24th January 1974 under the provisions of the Companies Act, 1956. The Company is principally engaged in the business of manufacturing, trading, dealing, and marketing textile and related products for more than 100 years. The Company is also engaged in other businesses. The Company is a flagship Company of the Arvind Mafatlal Group.
2. The Permanent Account Number of the Company is AAACM2813L.
3. The equity shares of the Company are listed at BSE Limited.
4. The email ID of the Company is amish.shah@mafatlals.com.
5. The main objects clause of the Company is set out in Clause III (A) of its Memorandum of Association and has been summarized as below for the perusal of the shareholders:

“1. To carry on all or any of the business following – cotton spinners and doublers, wool silk, flax, jute and hemp spinner and doublers, linen manufacturers, cotton flax, hemp, jute and wool merchants, wool combers, worsted spinners, woollen spinners, and yarn merchants, worsted stuff manufactures, bleachers, and dyers and makers of vitriol, bleaching and dyeing materials and to purchase and sell, comb, prepare, spin, dye and deal in flax, hemp, jute, wool, cotton, silk and other fibrous substances and to weave or otherwise manufacture, buy and sell and deal in linen, cloth and other goods and fabrics whether textile, fribled, knitted or looped add to supply power.”

The company has altered object clauses by passing a special resolution in the 109th Annual General Meeting held on 3rd August 2023. The existing sub-clauses (3), (6) (7), and (33) in

Clause III of the Memorandum of Association have been replaced the new sub-clauses as follows:

- (3) (a) *Providing to assist the individuals, companies, bodies corporate, firms or Public Sector Undertakings or local government bodies or State Governments or Central Government including Defense Department or Local Bodies or any other government services related to Information Technology (IT), Information Technology Enabled Services (ITES) and non-Information Technology (Non-IT) areas including production, supply, services, system integration of products and development, business consultancy, application (App) development, tele call support, all type of marketing services including social media marketing, digital media marketing, mobile marketing, video conferencing, video creation, and training services, training and execution in computer hardware, software, networking services and facilitate the rural development department by providing services and consultancy in executing smart governance projects, establishing strong and smart governance, smart city projects, mobile governance services, citizen services, solid or any other waste management services, taxation support services.*
- (3) (b) *To carry on the business in and out of India of providing Data Center centric mission-critical infrastructure management solutions, network connectivity and information technology (IT) services, colocation, hosting services, cloud computing infrastructure, regular backup, server load balancing, remote backup, managed IT services like messaging, shared Hosting, network and security, Storage, virtualization, managed voice services, telecom services, technology integration services and applications integration services, public, private and hybrid cloud platforms, data center operations & management and infrastructure as a service (IaaS), Platform as a Service (Paas) and disaster recovery (DR) as services, to carry on the business of design, implementation and maintenance of IT services across data centers, network and security, service desks, command centers, hosted contact centers or in any other form and to conduct, sponsor or otherwise participate in training & development programs in respect of any of the objects of the Company and for spreading or imparting the knowledge and use of data centers, & IT services including the publication of books, journals, bulletins, study / course materials, circulars and news-letters; and to undertake the business as principal, partners, agents, distributors, franchise holders, through franchisees or otherwise for trading or dealing in data center, IT product and render related services.*
- (3)(c) *To manufacture, purchase, sell, develop or otherwise transfer, lease, import, export, hire, license, use, dispose of, operate, fabricate, construct, distribute, assemble, design, charter, acquire, market, recondition, work upon or otherwise, generally deal in any electronic, electrical, mechanical and electromechanical product, machine, apparatus, appliance, custom products, merchandise, systems, software procedure, peripheral products, computers, tabulators, data processing machines and systems and components thereof, web based applications, tracking devices, tracking applications, geofencing, geotagging, surveillance products, artificial intelligence based hardware and software, electronic calculators, electric and electromechanical accounting systems, terminal products and systems, machines for registering, data preparation, recording, perforation, tabulating, sorting printing, typewriting, products which possess an internal intelligence for recognition and correlating any type of data or information to be processed, recognition and memory systems, optical scanning machine, transmission lines, transmission equipment, terminals, copying, reproducing and distributing machines, digital signing, protecting and disbursing equipment, machines for facsimile reproduction, facsimile transmission and word processing, facilities and accessories*

and devices of all kinds to deal in manufacturing and service machines, devices, software and goods of all kinds.

- (3) (d) *To carry business of advisory, consultancy, staff augmentation, call centers, customer contact centers and to provide voice, email and chatbased customer contact service centers.”*
- (6) *To extend the business of the Company by adding to, altering or enlarging, all or any of the buildings, Mill factories, premises and machinery for the time being the property or in the possession of the Company; also by erecting new or additional buildings on all or any of the lands for the time being the property or in the possession of the Company, and also by expanding from time to time such sums of money as may be necessary or expedient for the purposes of improving, adding to, altering, repairing and maintaining the buildings, machinery and property for the time being of the Company. To Purchase in any part of India or elsewhere from any country whatever any machinery, plant, stores, and other articles for the use of the Company for all or any of the purposes of the Company and to remove all or any of the machinery, plant and stores of the Company for the time being in or upon any lands, buildings or premises of the Company to other lands, buildings or premises wheresoever situated of the Company and-from time to time to sell and dispose of all or any portion of the machinery, plant and stores of the Company.”*
- (7) *To carry on the business of marketing, advertising, promoting, manufacturing, trading, importing, exporting technical textiles made of all materials, consumer healthcare products, hygiene products, healthcare equipment, home care products, sanitizer, medical consumables, glycerine based products, personal care products, baby care products, feminine care products, adult care products and Incontinence, animal care products, surgical products including disposables, hospital furniture, hospital uniforms, surgical drapes and all kind of hospital drapes and consumables.”*
- (33) *To acquire and undertake the whole or any part of the business, property and liability of any company, firm or person carrying on any business or businesses which the Company is authorised to carry on or possessed of property suitable for the purpose of the Company.*

To enter into any type of scheme for reorganising the business and structure of the Company including merger, demerger, any other scheme of arrangement for reorganising.”

The Authorised Issued, Subscribed and Paid-up Share Capital of the Applicant Company as on 31st March 2022 was as follows:

| Particulars | Amount (Rs.) |
|-----------------------------------------------------------|-----------------------|
| Authorised Share Capital: | |
| 1,42,45,081 Equity Shares of Rs. 10/- each | 14,24,50,810 |
| 8,57,54,919 Unclassified Shares of Rs. 10/- each | 85,75,49,190 |
| Total Authorised Capital | 1,00,00,00,000 |
| Issued, Subscribed and Paid-up Share Capital | |
| 1,40,71,386 fully paid-up Equity Shares of Rs. 10/- each | 14,07,13,860 |
| Total Issued subscribed and paid-up share capital: | 14,07,13,860 |

The Authorised Issued, Subscribed and Paid-up Share Capital of the Applicant Company as on 31st March 2023 was as follows:

| Particulars | Amount (Rs.) |
|-----------------------------------------------------------|-----------------------|
| Authorised Share Capital: | |
| 35,00,00,000 Equity Shares of Rs. 2/- each | 70,00,00,000 |
| 3,00,00,000 Preference Shares of Rs. 10/- each | 30,00,00,000 |
| Total Authorised Capital | 1,00,00,00,000 |
| Issued subscribed and paid-up share capital: | |
| 7,05,97,430 fully paid-up Equity Shares of Rs. 2/- each | 14,11,94,860 |
| Total Issued subscribed and paid-up share capital: | 14,11,94,860 |

The Company has allotted 1,17,000 equity shares of Rs. 2/- each on 2nd August 2023 and 5,81,000 equity shares of Rs. 2/- each on 7th November 2023 under ESOP- 2017 scheme.

The Authorised Issued, Subscribed and Paid-up Share Capital of the Company as on 30th November 2023 is as follows:

| | |
|-----------------------------------------------------------|---------------------|
| Issued subscribed and paid-up share capital: | |
| 7,12,95,430 fully paid-up Equity Shares of Rs. 2/- each | 14,25,90,860 |
| Total Issued subscribed and paid-up share capital: | 14,25,90,860 |

The audited standalone and consolidated financial statements of the Company have been audited for the financial year ended on 31st March 2023 and the standalone and consolidated unaudited financial results of the Company for the quarter ended on 30th September 2023 is attached as **Annexure II**.

6. The details of Directors, Key Managerial Personnels and Promoters of the Company along with their addresses as on the date of this notice are mentioned herein below:

| Sr. No. | Name of Directors / Key Managerial Personnel | Category | Address |
|---------|----------------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------|
| 1. | Mr. Hrishikesh A. Mafatlal. DIN:00009872 | Chairman & Executive Director | 10, Altamount Road, Mumbai – 400026 |
| 2. | Mr. Atul K. Srivastava DIN:00046776 | Independent Director | A-205, Oberoi Woods Co-Op. Hsg. Society Ltd., Mohan Gokhale Marg, Goregaon (East), Mumbai-400063 |
| 3. | Mr. Vilas R. Gupte DIN:0001130 | Independent Director | 2003/2004, Chaitanya Towers, Appasaheb Marathe Marg, Prabhadevi, Mumbai-400025 |
| 4. | Mr. Pradip N. Kapadia DIN:00078673 | Independent Director | M/S. Vigil Juris, Advocates, Vaswani Mansions, 6th floor, 120, Dinshaw Vachha Road, Churchgate, Mumbai 40020 |
| 5. | Mrs. Latika P. Pradhan DIN:07118801 | Independent Director | B/1102, Chaitanya Towers, Appasaheb Marathe Marg, Prabhadevi, Mumbai-400025 |

| | | | |
|-----|--------------------------------------------|-------------------------|------------------------------------------------------------------------------------------------|
| 6. | Mr. Sujal A. Shah DIN:00058019 | Independent Director | 701, Mayfair Kumkum, Next to Bank of India, S. V. Road, Andheri (West), Mumbai -400058 |
| 7. | Mr. Gautam G. Chakravarti DIN:00004399 | Independent Director | B/802, Ashok Tower, Parel, Mumbai – 400012 |
| 8. | Mr. Priyavrata H. Mafatlal DIN:02433237 | Managing Director | 10, Altamount Road, Mumbai – 400026 |
| 9. | Mr. Amish P. Shah | Company Secretary | B-13, Amizara Apartment, Narayannagar Road, Opp. Satva Flats Shantivan, Paldi – 380007 |
| 10. | Mr. Milan P. Shah | Chief Financial Officer | 16, Jeevan Prakash, St. Xavier School Road, Navrangpura, Ahmedabad – 380014 |
| 11. | Mr. M. B. Raghunath | Chief Executive Officer | B/701, Neptune CHS, Vasant Galaxy, New Link Road, Motilal Nagar, Goregaon (W), Mumbai – 400104 |

| Sr. No | Name of Promoters | Address |
|--------|----------------------------|-------------------------------------|
| 1. | Mr. Hrishikesh A. Mafatlal | 10, Altamount Road, Mumbai – 400026 |
| 2. | Mr. Priyavrata H. Mafatlal | 10, Altamount Road, Mumbai – 400026 |
| 3. | Mrs. Rekha H. Mafatlal | 10, Altamount Road, Mumbai – 400026 |

IV. SALIENT FEATURES OF THE SCHEME

The salient features of the Scheme are, inter alia, as stated below. The capitalized terms used herein shall have the same meaning as ascribed to them in Clause 1 of Part I of the Scheme:

- I. The Scheme provides for reduction and reorganization of share capital of the Company (as in detail specified in the Scheme).
- II. The Appointed Date of the Scheme shall be the opening business hours of 1st April 2022, or such other date as may be approved by the tribunal.
- III. The Scheme shall become effective from the Appointed Date but shall be operative from the Effective Date.
- IV. There is no outflow of cash from the Company on account of the Scheme.
- V. There shall be no change in the shareholding pattern of the Company.
- VI. The equity shares of the Company shall continue to be listed on the BSE Limited.

Note: The above are the salient features of the Scheme. The shareholders are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

V. BOARD APPROVALS

The Board at its Meeting held on 14th November 2022 unanimously approved the Scheme, as detailed below:

| Name of Director | Voted in favour/ against/ did not participate or vote |
|----------------------------|-------------------------------------------------------|
| Mr. Hrishikesh A. Mafatlal | Voted in favour |
| Mr. Atul K. Srivastava | Voted in favour |
| Mr. Vilas R. Gupte | Voted in favour |
| Mr. Pradip N. Kapadia | Voted in favour |
| Mrs. Latika P. Pradhan | Voted in favour |
| Mr. Sujal A. Shah | Voted in favour |
| Mr. Gautam G. Chakravarti | Voted in favour |
| Mr. Priyavrata H. Mafatlal | Voted in favour |

VI. INTEREST OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND DEBENTURE TRUSTEE

- None of the directors and key managerial personnel (KMP) and their relatives, (as defined under the Act and rules framed thereunder) of the Company have any interest in the Scheme except to the extent of their shareholding in the Company. Same as aforesaid, none of the said directors or the KMPs have any material interest in the Scheme.
- At present the Company has not issued any debentures. Hence, no debenture trustee is appointed.
- It is further clarified that the proposed Resolution does not relate to or affect any other Company.

VII. EFFECT OF THE SCHEME ON STAKEHOLDERS

The effect of the Scheme on various stakeholders is summarised below:

Equity shareholders, KMP, Promoter and Non-Promoter shareholders

The effect of the Scheme on the equity shareholders, KMP, promoter and non-promoter shareholders of the Company is given in the report adopted by the Board of the Company at the meeting held on 14th November 2022 pursuant to the provisions of Section 232(2)(c) of the Act which are attached as **Annexure III** to this Statement.

Directors

The Scheme will have no effect on the office of the existing directors of the Company. Further, no change in the Board of the Company is envisaged on account of the Scheme. It is clarified that, the composition of the Board of the Company may change by appointments, retirements or resignations in accordance with the provisions of the Act, SEBI Listing Regulations and Memorandum and Articles of Association of the Company

The effect of the Scheme on the directors of the Company in their capacity as equity shareholders of the Company is the same as in case of other equity shareholders of the Company, as mentioned in the aforesaid report enclosed herewith as **Annexure III** hereto.

Employees

The Scheme will have no adverse effect on the employees of the Company. Upon the Scheme coming into effect, all employees of the Company shall continue with their employment, without any break or interruption in their services, on the same terms and conditions on which they are engaged as on the Effective Date.

Creditors

The proposed Scheme does not involve any compromise or arrangement with the creditors of the Company. The rights of the creditors shall not be impacted pursuant to the Scheme. There will be no reduction in their claims on account of the Scheme. There is no likelihood that the creditors would be prejudiced in any manner as a result of the Scheme being sanctioned.

Debenture holders and Debenture Trustees

The Company has not issued any debentures. Hence, no debenture trustee is appointed.

Depositors and Deposit Trustees

The Company has not accepted any deposits within the meaning of the Act and rules framed thereunder. Hence, no deposit trustee/ (s) have been appointed.

Thus, the Scheme will have no adverse effect on the aforesaid stakeholders.

VIII. AMOUNTS DUE TO SECURED AND UNSECURED CREDITORS

The amounts due to the secured and unsecured creditors of the Company, as on 31st August 2023 is Rs. 1,53,46,83,298.64 and Rs. 3,73,91,63,779 respectively.

IX. CAPITAL/ DEBT RESTRUCTURING

There is no debt restructuring envisaged in the Scheme. Other than as mentioned in the Scheme, the Scheme does not involve any other capital restructuring. No shares are proposed to be issued either by the Company, pursuant to the Scheme. Therefore, there will be no change in the share capital structure and the post-scheme shareholding pattern of the Company.

X. PRE-SCHEME SHAREHOLDING PATTERN OF THE COMPANY

The pre-scheme shareholding pattern of the Company as on 30th November 2023 is as follows:

| Sr. No | Category of shareholder | No. of fully paid up equity shares held | % |
|---------------|--------------------------------|------------------------------------------------|---------------|
| 1. | Promoter & Promoter Group | 5,00,22,470 | 70.16 |
| 2. | Public | 2,12,72,960 | 29.84 |
| 3. | Shares underlying DRs | - | - |
| | TOTAL | 7,12,95,430 | 100.00 |

There will be no change in the shareholding pattern of the company after the implementation of the Scheme.

XI. AUDITORS' CERTIFICATE ON CONFORMITY OF ACCOUNTING TREATMENT IN THE SCHEME WITH ACCOUNTING STANDARDS

The statutory auditor of the Company has confirmed that the accounting treatment in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013 and other Generally Accepted Accounting Principles in India.

XII. APPROVALS AND INTIMATIONS IN RELATION TO THE SCHEME

1. In terms of Regulation 37 of the SEBI Listing Regulations read with SEBI Master Circular SEBI/HO/CFD/DIL2/CIR/P/2021/0000000659 dated 18th November 2021 ("SEBI Master Circular") and BSE Limited ("BSE"), by their respective letter dated 22nd August 2023 have issued their observations on the Scheme to the Company. Copies of the said observation letter issued by BSE to the Company is attached hereto as **Annexure IV**. Further, in terms of the said SEBI Master Circular, the Company has not received any complaint relating to the Scheme and 'NIL' complaint report was filed by the Company with BSE, copy of which is attached hereto as **Annexure V**.
2. The Company has already disclosed the copy of the Scheme on the Stock Exchanges.
3. A copy of the Scheme has been filed by the Company with the Registrar of Companies, Gujarat, Ahmedabad.
4. The notice of the Meeting along with the copy of the Scheme in the prescribed form, will be served on all concerned authorities in terms of the Tribunal Order.

XIII. NON-APPLICABILITY OF VALUATION REPORT AND FAIRNESS OPINION

1. No shares are proposed to be issued by the Company, pursuant to the Scheme. Therefore, there will be no change in the shareholding pattern of the Company pursuant to the Scheme.
2. Thus, in view of the above, valuation report and fairness opinion are not applicable.

XIV. NO INVESTIGATION PROCEEDINGS

There are no investigation proceeding pending and/or instituted against the Company under sections 235 to 251 or any other provisions of the Companies Act 1956 or sections 206 to 209 of the Companies Act, 2013. However, ROC has initiated proceedings against some of the Directors/Ex-Directors and KMP of Mafatlal Industries Limited, before The Metropolitan Magistrate Court, Ahmedabad against which the said Directors have preferred Petition u/s.482 of the Criminal Procedure Code before Hon'ble Gujarat High Court. The status and details of said cases are as under.

| Metropolitan Magistrate Court Ahmedabad | | | | Hon'ble Gujarat High Court Application u/s. 482 Cr. P.C. | | | |
|-----------------------------------------|---------------------|--------------------------------|--------|-------------------------------------------------------------|------------------|----------------------|-----------|
| Sr. No. | Registration Number | Section of Companies Act, 2013 | Status | Hearing Date | Registration no. | Interim order passed | Next date |
| | | | | | | | |

| | | | | | | | |
|---|-------------------------------------------|---------------------------------------------------|---------|------------|-----------|-----------------------------------------|-------------|
| 1 | 29860/2018 | Section 134(3)(1) Director Report | Pending | 31.1.2024 | 2561/2022 | Stay granted in terms of interim prayer | Not updated |
| 2 | 23349/2018 | Section 129 (HAM, PHM) Relationship (Consolidate) | Pending | 31.1.2024 | 2582/2022 | Stay granted in terms of interim prayer | Not updated |
| 3 | 23357/2018 | Section 129 CS, CFO | Pending | 31.1.2024 | 2569/2022 | Stay granted in terms of interim prayer | Not updated |
| 4 | 23348/2018 | Section 129 (HAM, PHM) Relationship (Standalone) | Pending | 31.1.2024 | 2603/2022 | Stay granted in terms of interim prayer | Not updated |
| 5 | 13328/2020 | Sec.158 of the Companies Act | Pending | 31.1.2024 | NA | NA | NA |
| 6 | Criminal Case No 3/2019 S PCS COMP/3/2019 | Section 134 (3)(f) A19 of Companies Act, 2013 | Pending | 16.02.2024 | 7574/2019 | Stay granted in terms of interim prayer | Not updated |

With respect to Criminal Case No.13328/2020 (as mentioned in Serial No.5 above), the Company has also been made a party as an Accused. The Company has preferred Criminal Revision Application before the Hon'ble City Sessions Court, Ahmedabad vide Criminal Revision Application No.: 82/2020. The said matter is admitted and pending for hearing. The Next Date is 15.02.2024.

XV. DATE, TIME AND MODE OF MEETING

Pursuant to an order dated 19th December 2023, passed by the Hon'ble Tribunal in Company Application (CAA) No.61(AHM) 2023, the Meeting of the Equity Shareholders of the Company, will be held for the purpose of their considering and, if thought fit approving, with or without modification(s), the said Scheme through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") on Wednesday, 24th January 2024 at 11.00 AM (IST). The Company is providing the facility to vote at the Meeting by electronic means, i.e., remote e-Voting and e-Voting at the Meeting.

XVI. INSPECTION OF DOCUMENTS

In addition to the documents annexed hereto, the electronic copy of following documents will be available for inspection in the investor section of the website of the Company at www.mafatlals.com.

- I. Memorandum and Articles of Association of the Company.
- II. Audited standalone and consolidated financial Statements of the Company for the financial year ended 31st March 2023 and the standalone and consolidated unaudited financial results of the Company for the quarter ended 30th September 2023.
- III. Copy of the Scheme.
- IV. Certificate of the statutory auditor of the Company and confirming that the accounting treatment prescribed under the Scheme is in compliance with Section 133 of the Act and applicable accounting standards; and Copy of the Tribunal Order will also be available for inspection.
- V. Copy of the Tribunal Order.
- VI. Report of the Audit Committee and Committee of Independent Directors of the Company recommending the Scheme.

Based on the above and considering the rationale and benefits, in the opinion of the Board, the Scheme will be of advantage to, beneficial and in the interest of the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable.

The Board of Directors of the Company recommends the Scheme for approval of the Equity Shareholders.

For Mafatlal Industries Limited

Place: Ahmedabad.

Date: 22nd December 2023

Sd/-

Anilkumar B., Advocate

Chairman appointed by the Tribunal for the meeting.

Registered Office:

301-302, Heritage Horizon,

3rd Floor, off. C.G. Road, Navrangpura,

Ahmedabad-380 009

Tele. No. 079-26444404-06. Fax No. 079-26444403

Email: ahmedabad@mafatlals.com : Website: www.mafatlals.com

CIN: L17110GJ1913PLC000035

SCHEME OF ARRANGEMENT
BETWEEN
MAFATLAL INDUSTRIES LIMITED
AND
ITS SHAREHOLDERS

**UNDER SECTION 230 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013**

(A) PREAMBLE

This Scheme of Arrangement ("**Scheme**") provides for reduction and reorganization of the capital of Mafatlal Industries Limited pursuant to the provisions of Sections 230 and other applicable provisions of the Companies Act, 2013 ("the Act"). This Scheme also provides for various other matters consequential thereto or otherwise integrally connected therewith.

(B) DESCRIPTION OF THE COMPANY

Mafatlal Industries Limited ("the **Company**") is a company incorporated under the provisions of the Indian Companies Act, 1882. The Company is principally engaged in the business of manufacturing, trading, dealing, and marketing textile and other business for more than 100 years. The equity shares of the Company are listed on the Stock Exchange (*as defined hereinafter*).

(C) PARTS OF THE SCHEME

The Scheme is divided into the following parts:



1. **PART I** deals with the definitions of capitalized terms used in the Scheme, the details of the share capital of the Company and date of taking effect and implementation of this Scheme;
2. **PART II** deal with rationale for the Scheme;
3. **PART III** deals with reduction and reorganization of capital and reserves of the Company; and
4. **PART IV** deals with the general terms and conditions applicable to the Scheme.

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

- 1.1. In this Scheme, (i) capitalised terms defined by inclusion in quotations and/ or parenthesis shall have the meanings so ascribed; and (ii) the following expressions shall have the meanings ascribed hereunder:

“Act” means the Companies Act, 2013;

“Appointed Date” means 1 April 2022 or such other date as may be approved by the Tribunal;

“Appropriate Authority” means:

- a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, tribunal, central bank, commission or other authority thereof;
- b) any governmental, quasi-governmental or private body or agency lawfully exercising or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing, exporting or other governmental or quasi- governmental authority including without limitation, SEBI (*as defined hereinafter*), and the Tribunal (*as defined hereinafter*); and
- c) any Stock Exchange.



“Board” in relation to the Company means the board of directors of the Company and shall include a committee of directors or any person authorized by such board of directors or such committee of directors duly constituted and authorized for the matters pertaining to this Scheme or any other matter relating hereto;

“Company” means Mafatlal Industries Limited, a company incorporated under the provisions of the Indian Companies Act, 1882, having Corporate Identity Number L17110GJ1913PLC000035 and its registered office at 301-302, Heritage Horizon, Third Floor, Off. C. G. Road, Navrangpura, Ahmedabad, Gujarat, India - 380009;

“Effective Date” means the day on which last of the conditions specified in Clause 13 (Conditions Precedent) of this Scheme are complied with or otherwise duly waived;

Reference in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of this Scheme” or “effect of this Scheme” or “upon the Scheme becoming effective” shall mean the Effective Date;

“Person” means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;

“Retained Earnings” means the amount appearing in the annual financial statements of the Company as “retained earnings” under “Reserves and Surplus” and representing the cumulative profit / (loss) of the Company;

“RoC” means the relevant jurisdictional Registrar of Companies having jurisdiction over the Company;

“Rs” or “Rupee(s)” or “INR” means Indian Rupee, the lawful currency of the Republic of India;

“Scheme” or “this Scheme” means this scheme of arrangement as modified from time to time;

“SEBI” means the Securities and Exchange Board of India;

“SEBI LODR Regulations” means SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended from time to time;



“Stock Exchanges” means BSE Limited;

“Tax Laws” means all applicable laws dealing with Taxes including but not limited to income-tax, wealth tax, sales tax / value added tax, service tax, goods and service tax, excise duty, customs duty or any other levy of similar nature;

“Taxation” or **“Tax”** or **“Taxes”** means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value, goods and services or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, collection at source, dividend distribution tax, advance tax, minimum alternate tax, goods and services tax or otherwise or attributable directly or primarily to the Company or any other Person and all penalties, charges, costs and interest relating thereto; and

“Tribunal” means the Ahmedabad Bench of the National Company Law Tribunal (“NCLT”) having jurisdiction over the Company.

1.2. In this Scheme, unless the context otherwise requires:

- 1.2.1. words denoting the singular shall include the plural and *vice versa*;
- 1.2.2. any Person includes that Person’s legal heirs, administrators, executors, liquidators, successors, successors-in-interest and permitted assigns, as the case may be;
- 1.2.3. headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the same; and
- 1.2.4. the words “include” and “including” are to be construed without limitation.



2. SHARE CAPITAL AND OTHER EQUITY

2.1. The share capital of the Company as on 31 March 2022 is as follows;

| <i>Particulars</i> | <i>Amount (Rs.)</i> |
|--------------------------------------------------|-------------------------|
| Authorised Share Capital: | |
| 1,42,45,081 Equity Shares of Rs. 10/- each | 14,24,50,810 |
| | |
| 8,57,54,919 Unclassified Shares of Rs. 10/- each | 85,75,49,190 |
| Total Authorised Capital | 1,00,00,00,000 |

| <i>Particulars</i> | <i>Amount (Rs.)</i> |
|----------------------------------------------------------|-------------------------|
| Issued Capital: | |
| 1,40,71,386 Equity Shares of Rs. 10/- each * | 14,07,13,860 |
| | |
| Subscribed & Paid-Up Capital: | |
| 1,40,71,386 fully paid-up Equity Shares of Rs. 10/- each | 14,07,13,860 |

*The Issued and Paid-Up Capital is as on 31st March 2022. The Issued and Paid-Up Capital has increased subsequently due to issuance of 25,100 number of Shares of face value of Rs. 10/- each under The Mafatlal Employee Stock Option Scheme, 2017.

The members of the Company, vide ordinary resolution through postal ballot dated 7th November, 2022 have approved reclassification of authorised share capital and sub-division of equity shares of the Company. 25th November, 2022 is record date for the purpose of new sub-division of equity Shares of the Company. After reclassification of authorised share capital and sub-division of equity shares of the Company as aforesaid, the capital structure of the Company will be:



| <i>Particulars</i> | <i>Amount</i> <i>(Rs.)</i> |
|------------------------------------------------|-------------------------------|
| Authorised Share Capital: | |
| 35,00,00,000 Equity Shares of Rs. 2/- each | 70,00,00,000 |
| | |
| 3,00,00,000 Preference Shares of Rs. 10/- each | 30,00,00,000 |
| Total Authorised Capital | 1,00,00,00,000 |

| | |
|---------------------------------------------------------|--------------|
| | |
| Issued Capital: | |
| 7,04,82,430 Equity Shares of Rs. 2/- each | 14,09,64,860 |
| | |
| Subscribed & Paid-Up Capital: | |
| 7,04,82,430 fully paid-up Equity Shares of Rs. 2/- each | 14,09,64,860 |

Equity Shares of MIL are listed on Bombay Stock Exchange Limited (BSE)

- 2.2 The details of Reserves and Surplus of the Company as on 31 March 2022, as per the last audited balance sheet are as under:

| Sr. No. | Particulars | Amount in Rs. |
|---------|----------------------------------|--------------------|
| 1 | Capital Reserve No.1 | 61,16,314.00 |
| 2 | Capital Reserve No. 2 | 35,00,000.00 |
| 3 | Capital Reserve on Amalgamation | 36,34,48,000.00 |
| 4 | Capital Redemption Reserve | 83,83,13,559.00 |
| 5 | Securities premium | 176,26,44,605.12 |
| 6 | Capital Investment Reserve | 75,96,408.91 |
| 7 | Investment Reserve | 1,77,663.00 |
| 8 | ESOP Reserve | 75,78,714.66 |
| 9 | Export Profit Reserve | 20,00,000.00 |
| 10 | Retained earnings | (226,44,81,517.00) |
| 11 | General Reserve | 6,20,00,000.00 |
| 12 | FVOCI Equity Investments Reserve | 592,98,59,455.53 |



3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

This Scheme in its present form or with any modification(s) made as per Clause 12 of this Scheme, shall become effective and operative from the Effective Date.

PART - II

4. RATIONAL FOR THE SCHEME

- 4.1 The Company had suffered substantial losses during the past few years, due to which the Company's retained earnings had turned negative.
- 4.2 During the financial years 2020-21 and 2021-22, the Company implemented several strategic cost control measures, and evolved towards an asset-light model marked by lower overheads and liabilities.
- 4.3 During the financial year 2021-22, the Company further strengthened the effectiveness of its manufacturing operations, improved the inventory turnaround time and widened its marketing cum distribution network.
- 4.4 Despite generating substantial profits during the financial year 2021-22, the Company continues to carry a debit balance of Retained Earnings (*as defined hereinbefore under sub-clause 1.1 of clause 1 "Definitions"*) on its balance sheet as on 31 March 2022. At the same time, the Company has unutilized balances lying under various reserves, which are neither earmarked for any specific purpose, nor have any lien marked thereon and/or obligation attached thereto.
- 4.5 In the circumstances, the Company is of the view that the financial statements of the Company are not reflective of its true current financial health and therefore, it is necessary to reduce and reorganize the capital of the Company.
- 4.6 The Scheme proposes to set-off the debit balance of Retained Earnings of the Company as on the Appointed Date against the credit balance lying under various reserves as specified herein.
- 4.7 The proposed reduction and reorganization of the capital is in the interest of the Company, its shareholders, creditors and all concerned stakeholders. If the Scheme is approved, the books of the Company would present a fair representation of the



financial position of the Company, and would enable the Company to explore opportunities for the benefit of its shareholders.

PART III

REDUCTION AND REORGANIZATION OF CAPITAL OF THE COMPANY

5. REDUCTION AND REORGANIZATION OF CAPITAL OF THE COMPANY

5.1 Upon the Scheme becoming effective, the credit balance of following reserves as appearing in books of accounts of the Company as on the Appointed Date, shall be adjusted against the entire debit balance of the Retained Earnings of the Company as on the Appointed Date, to the extent permissible under Law, in the following chronological order:

- 5.1.1 Entire credit balance of "Capital Reserve No. 1";
- 5.1.2 Entire credit balance of "Capital Reserve No. 2";
- 5.1.3 Entire credit balance of "Capital Reserve on Amalgamation";
- 5.1.4 Entire credit balance of "Capital Redemption Reserve";
- 5.1.5 Credit Balance of "Securities Premium", to the extent required (i.e. Rs. 105,31,03,644.00) for adjustment of remaining debit balance of the Retained Earnings of the Company.

5.2 The reduction and reorganization of the capital of the Company, as stated in Clause 5.1 above, shall be effected as an integral part of this Scheme itself, and the order of the Tribunal sanctioning this Scheme shall confirm the reduction and reorganization of capital of the Company.

5.3 Pursuant to the Scheme, there is no outflow of/ payout of funds from the Company and hence, the interest of the shareholders/ creditors is not adversely affected. For the removal of doubt, it is expressly recorded and clarified that the Scheme shall not in any manner involve distribution of capital reserves or revenue reserves and shall be in accordance with the accounting standards prescribed under provisions of Section 133 of the Act.



- 5.4 The reduction and reorganization of capital of the Company would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital.
- 5.5 Notwithstanding the reduction of capital, as stated in Clause 5.1 above, the Company shall not be required to add "And Reduced" as suffix to its name.
- 5.6 This Scheme is an "arrangement" between the Company and its shareholders under Section 230 of the Act and does not envisage the transfer of vesting of any properties and/or liabilities as contemplated in Sections 230 to 232 and other applicable provisions of the Act. This Scheme does not involve any "conveyance" or "transfer" of any property/liabilities and does not relate to amalgamation or merger or demerger of companies in terms of Sections 230 to 232 of the Act. Accordingly, this Scheme and the order sanctioning this Scheme shall not be deemed to be a conveyance within the meaning of the Gujarat Stamp Act, 1958, and therefore no stamp duty shall be payable on the Scheme and / or the order sanctioning this Scheme.
- 5.7 The utilization of the Capital Reserve No. 1, Capital Reserve No. 2, Capital Reserve on Amalgamation, Capital Redemption Reserve and Securities Premium as aforesaid shall be effected as an integral part of the Scheme and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under section 66 read with section 52 and other applicable provisions of the Act and no separate sanction under section 66 read with section 52 and other applicable provisions of the Act will be necessary.

6. ACCOUNTING TREATMENT IN THE BOOKS OF THE COMPANY

- 6.1 Notwithstanding anything else contained in the Scheme, the Company shall account for reduction and reorganization of capital in its books of account in accordance with Indian Accounting Standards ("IND AS") notified under Section 133 of the Act, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time and other accounting principles generally accepted in India, such that:
- 6.1.1 The credit balances of the below mentioned reserves in books of accounts of the Company as on the Appointed Date shall be reclassified and credited to the Retained Earnings of the Company as on the Appointed Date, so as to set off the debit balance of Retained Earnings to the extent of Rs. 226,44,81,517.00 (Rupees Two hundred and



Twenty-Six Crores Forty-Four lakhs Eighty-One Thousand Five Hundred and Seventeen only) and shall be adjusted as under:

- (a) Entire credit balance of Rs. 61,16,314.00 appearing as "Capital Reserve 1"
 - (b) Entire credit balance of Rs. 35,00,000.00 appearing as "Capital Reserve 2";
 - (c) Entire credit balance of Rs. 36,34,48,000.00 appearing as "Capital Reserve on Amalgamation";
 - (d) Entire credit balance of Rs. 83,83,13,559.00 appearing as "Capital Redemption Reserve"
 - (e) Remaining unadjusted debit balance of Retained Earnings of Rs. 105,31,03,644.00 shall be adjusted against the credit balance of Securities Premium, and to that extent the Securities Premium shall stand reduced. .
- 6.2 The Company will pass appropriate adjustment entries in prudent and commercially acceptable manner; and
- 6.3 For accounting purpose, the reduction and reorganization of capital of the Company will be given effect on the date when all substantial conditions for the reduction and reorganization of capital are completed.

PART IV

GENERAL TERMS & CONDITIONS

7. EMPLOYEES

The employees of the Company shall, in no way, be affected by the proposed reduction and reorganization of capital, as there is no transfer of employees under the Scheme. On the Scheme becoming effective, all the employees of the Company shall continue with their employment, without any break or interruption in their services, on the same terms and conditions on which they are engaged as on the Effective Date.



8. CREDITORS

The reduction and reorganization of capital (as set out in Clause 5.1 above) will not cause any prejudice to the creditors of the Company. The creditors of the Company are, in no way, affected by the proposed reduction and reorganization of capital, as there is no reduction in the amount payable to any of the creditors as a result of this Scheme, and no compromise or arrangement is contemplated with the creditors under this Scheme. Further, there is no outflow of cash from the Company. Thus, the proposed adjustment would not, in any way, adversely affect the operations of the Company or the ability of the Company to honour its commitments or to pay its debts in the ordinary course of business.

9. COMPLIANCE WITH TAX LAWS

The Scheme is in compliance with the applicable Tax Laws. Upon the Scheme becoming effective, the Company shall continue to pay Taxes in accordance with and subject to applicable law.

10. LEGAL PROCEEDINGS

Upon the Scheme becoming effective, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands and legal proceedings of whatsoever nature by or against the Company pending and/or arising on or before the Effective Date or which may be instituted any time thereafter shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against the Company.

11. APPLICATIONS/PETITIONS TO THE TRIBUNAL

The Company shall make and file all applications and petitions under Sections 230 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.



12. MODIFICATION OR AMENDMENTS TO THIS SCHEME

12.1 The Board may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board may consent to any conditions or limitations or may make any modifications to the Scheme that the Tribunal or any other Appropriate Authority may impose.

12.2 For the purposes of giving effect to this Scheme, the Board may give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding as if the same were specifically incorporated in this Scheme. With regard to the Scheme including passing of accounting entries and/or making such other adjustments in the books of account as are considered necessary to give effect to the Scheme.

13. CONDITIONS PRECEDENT

13.1 Unless otherwise decided (or waived) by the Board, the Scheme is conditional upon and subject to the following conditions precedent:

13.1.1 obtaining no-objection letter from the Stock Exchange in relation to the Scheme under Regulation 37 of the SEBI LODR Regulations;

13.1.2 approval of the Scheme by the requisite majority of the shareholders and/ or creditors of the Company, as applicable or as may be required under the Act and as may be directed by the Tribunal;

13.1.3 the sanctions and orders of the Tribunal as may be applicable, under Sections 230 to 232 of the Act being obtained by the Company; and

13.1.4 the certified copy of the orders of the Tribunal being filed with the RoC by the Company.

13.1.5 The requisite consent approval or permission of any Appropriate Authority which by applicable law may be necessary for the implementation of this Scheme.

13.2 It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that Company may have under or pursuant to all applicable laws.



14. WITHDRAWAL OF THIS SCHEME AND NON-RECEIPT OF APPROVALS

- 14.1 The Company shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.
- 14.2 In the event of withdrawal of the Scheme under Clause 14.1 above, no rights and liabilities whatsoever shall accrue or be incurred by the Company or its shareholders or creditors or employees or any other Person.
- 14.3 In the event of any of the requisite sanctions and approvals not being obtained on or before such date as may be decided by the Company (including any extension thereof), this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred upon the Company or their shareholders or creditors or employees or any other Person in terms of this Scheme.

15. COSTS AND EXPENSES

All costs, charges, taxes, duties, levies, fees and expenses, if any, to the extent applicable and payable in connection with this Scheme, shall be borne and paid by the Company.



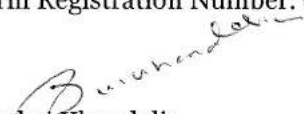
Price Waterhouse Chartered Accountants LLP

Independent Auditor's Review Report on Unaudited Standalone Financial Results

To
The Board of Directors
M/s. Mafatlal Industries Limited
4th Floor, Mafatlal House, H.T. Parekh Marg,
Backbay Reclamation, Churchgate,
Mumbai – 400 020

1. We have reviewed the unaudited standalone financial results of Mafatlal Industries Limited (the "Company") for the quarter ended September 30, 2023 and year to date results for the period April 1, 2023 to September 30, 2023, which are included in the accompanying 'Statement of Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2023', the Standalone Statement of Assets and Liabilities as on that date and the Standalone Statement of Cash Flows for the half-year ended on that date (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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


Parikaj Khandelia
Partner

Membership Number: 102022

UDIN: 23102022BGTWQM6263

Place: Mumbai
Date: November 7, 2023

Price Waterhouse Chartered Accountants LLP, Nesco IT Building III, 7th & 8th Floor, Nesco IT Park, Nesco Complex
Gate No. 3, Western Express Highway, Goregaon East, Mumbai – 400 063
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Registered office and Head office: 11-A, Vishnu Digamber Marg, Sucheta Bhawan, Gate No 2, 1st Floor, New Delhi - 110002

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

MAFATLAL INDUSTRIES LIMITED

Regd. Office: 301-302, Heritage Horizon, 3rd Floor, Off C. G. Road, Navrangpura, Ahmedabad - 380 009.

Tel: 079-26444404-06, Fax: 079-26444403, Website: www.mafatlals.com,

Email: ahmedabad@mafatlals.com, CIN: L17110GJ1913PLC000035

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

| Sr. No. | Particulars | Quarter ended | | | Half Year ended | | Financial Year ended |
|---------|--------------------------------------------------------------------------------------------|---------------------------------|----------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------|
| | | September 30, 2023 Unaudited | June 30, 2023 Unaudited | September 30, 2022 Unaudited | September 30, 2023 Unaudited | September 30, 2022 Unaudited | March 31, 2023 Audited |
| 1 | Income | | | | | | |
| a | Revenue from operations | 308.56 | 585.56 | 357.47 | 894.12 | 739.72 | 1,370.52 |
| b | Other income (Refer Notes 5 and 6) | 20.71 | 22.52 | 11.37 | 43.23 | 28.34 | 45.10 |
| | Total income (a + b) | 329.27 | 608.08 | 368.84 | 937.35 | 768.06 | 1,415.62 |
| 2 | Expenses | | | | | | |
| a | Cost of materials consumed | 30.76 | 40.65 | 48.20 | 71.41 | 116.97 | 200.57 |
| b | Purchases of stock-in-trade | 228.49 | 416.62 | 270.08 | 645.11 | 512.82 | 906.62 |
| c | Changes in inventories of finished goods, work-in-progress and stock-in-trade | (3.98) | 13.80 | (23.46) | 9.82 | (21.75) | (34.61) |
| d | Employee benefits expense | 15.61 | 16.17 | 12.36 | 31.78 | 25.29 | 52.04 |
| e | Finance costs | 3.17 | 3.47 | 4.54 | 6.64 | 8.74 | 17.72 |
| f | Depreciation and amortisation expense | 3.84 | 3.90 | 3.95 | 7.74 | 7.67 | 15.36 |
| g | Other expenses | 30.45 | 85.99 | 44.50 | 116.44 | 90.68 | 217.11 |
| | Total expenses | 308.34 | 580.60 | 360.17 | 888.94 | 740.42 | 1,374.81 |
| 3 | Profit before exceptional items and tax (1 - 2) | 20.93 | 27.48 | 8.67 | 48.41 | 27.64 | 40.81 |
| 4 | Exceptional items (Refer Note 7) | - | - | - | - | - | (0.54) |
| 5 | Profit before tax for the period / year (3 - 4) | 20.93 | 27.48 | 8.67 | 48.41 | 27.64 | 40.27 |
| 6 | Tax expense | | | | | | |
| a | Current tax | - | - | - | - | - | - |
| b | Deferred tax charge | - | - | - | - | (2.79) | (2.79) |
| | Total tax expense | - | - | - | - | (2.79) | (2.79) |
| 7 | Profit for the period / year (5 - 6) | 20.93 | 27.48 | 8.67 | 48.41 | 24.85 | 37.48 |
| 8 | Other comprehensive income | | | | | | |
| | Items that will not be reclassified to profit or loss | | | | | | |
| | - Changes in fair value of FVOCI equity instruments | 17.81 | 36.76 | (0.25) | 54.57 | 9.15 | (108.76) |
| | - Remeasurements of post-employment benefit obligations | - | - | (0.04) | - | (0.10) | (2.34) |
| 9 | Total comprehensive income for the period / year (7 + 8) | 38.74 | 64.24 | 8.38 | 102.98 | 33.90 | (73.62) |
| 10 | Paid-up equity share capital (face value of Rs. 2/- per share) (Refer Note 8) | 14.14 | 14.12 | 14.10 | 14.14 | 14.10 | 14.12 |
| 11 | Other equity | - | - | - | - | - | 600.51 |
| 12 | Earnings per share (face value of Rs.2/- per share) (not annualized) (Refer Note 8) | | | | | | |
| | - Basic (Rs.) | 2.96 | 3.89 | 1.23 | 6.85 | 3.53 | 5.32 |
| | - Diluted (Rs.) | 2.92 | 3.87 | 1.22 | 6.77 | 3.51 | 5.28 |

See accompanying notes to the Standalone Financial Results



Notes:

1 Standalone Segment wise Revenue, Results, Assets and Liabilities

| Particulars | Quarter ended | | | Half Year ended | | (Rs. in crores) |
|----------------------------------------------------|---------------------------------|----------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------------------------|
| | September 30, 2023 Unaudited | June 30, 2023 Unaudited | September 30, 2022 Unaudited | September 30, 2023 Unaudited | September 30, 2022 Unaudited | Financial Year ended March 31, 2023 Audited |
| Segment Revenue | | | | | | |
| Textile and related products | 302.14 | 567.53 | 347.63 | 869.67 | 729.88 | 1,325.40 |
| Digital Infrastructure* | 6.42 | 18.03 | 9.84 | 24.45 | 9.84 | 45.12 |
| Total Segment Revenue | 308.56 | 585.56 | 357.47 | 894.12 | 739.72 | 1,370.52 |
| Segment Results | | | | | | |
| Textile and related products | 10.98 | 15.11 | 6.36 | 26.09 | 22.60 | 42.39 |
| Digital Infrastructure* | 0.40 | 2.02 | 1.48 | 2.42 | 1.48 | 4.39 |
| Segment Profit before finance costs and tax | 11.38 | 17.13 | 7.84 | 28.51 | 24.08 | 46.78 |
| Less: Finance costs (Unallocable) | (3.17) | (3.47) | (4.54) | (6.64) | (8.74) | (17.72) |
| Add: Unallocable income / (expenses) (net) | 12.72 | 13.82 | 5.37 | 26.54 | 12.30 | 11.75 |
| Profit before exceptional items and tax | 20.93 | 27.48 | 8.67 | 48.41 | 27.64 | 40.81 |
| Less: Exceptional items | - | - | - | - | - | (0.54) |
| Profit before tax for the period / year | 20.93 | 27.48 | 8.67 | 48.41 | 27.64 | 40.27 |
| Segment Assets | | | | | | |
| Textile and related products | 680.99 | 746.48 | 582.76 | 680.99 | 582.76 | 602.14 |
| Digital Infrastructure* | 15.89 | 25.07 | 29.84 | 15.89 | 29.84 | 0.93 |
| Unallocable assets | 689.52 | 610.62 | 710.48 | 689.52 | 710.48 | 571.94 |
| | 1,386.40 | 1,382.17 | 1,323.08 | 1,386.40 | 1,323.08 | 1,175.01 |
| Segment Liabilities | | | | | | |
| Textile and related products | 557.84 | 578.44 | 454.97 | 557.84 | 454.97 | 442.93 |
| Digital Infrastructure* | 13.18 | 10.74 | 20.75 | 13.18 | 20.75 | 1.27 |
| Unallocable liabilities | | | | | | |
| - Borrowings | 75.90 | 85.26 | 102.91 | 75.90 | 102.91 | 93.60 |
| - Others | 21.28 | 28.70 | 23.37 | 21.28 | 23.37 | 22.58 |
| | 668.20 | 703.14 | 602.00 | 668.20 | 602.00 | 560.38 |

* Erstwhile known as technology and related products

Footnotes:

- The Company has identified and reported the below mentioned business segments in accordance with the requirements of Ind AS 108, 'Operating Segments':
 - Textile and related products
 - Digital Infrastructure*
- Unallocable expenses are net of unallocable income (including income from investments and investment properties). Unallocable assets majorly pertain to investments.



- Notes:

2 Standalone Statement of Assets and Liabilities

(Rs. in crores)

| Particulars | As at September 30, 2023 Unaudited | As at March 31, 2023 Audited |
|------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------|
| ASSETS | | |
| Non-current assets | | |
| (a) Property, plant and equipment | 85.59 | 91.02 |
| (b) Right-of-use assets | 0.58 | 0.74 |
| (c) Investment properties | 2.13 | 2.34 |
| (d) Intangible assets | 0.86 | 0.71 |
| (e) Financial assets | | |
| (i) Investments in subsidiaries | 0.28 | 0.28 |
| (ii) Other investments | 577.45 | 522.88 |
| (iii) Trade receivables | 1.42 | - |
| (iv) Others financial assets | 5.20 | 6.95 |
| (f) Deferred tax assets (net) | 4.98 | 4.98 |
| (g) Other non-current assets | 0.53 | 0.70 |
| (h) Current tax assets (net) | 18.39 | 16.21 |
| Total non-current assets | 697.41 | 646.81 |
| Current assets | | |
| (a) Inventories | 96.32 | 106.24 |
| (b) Financial assets | | |
| (i) Trade receivables | 451.80 | 285.86 |
| (ii) Cash and cash equivalents | 42.10 | 48.83 |
| (iii) Bank balances other than (ii) above | 33.43 | 24.24 |
| (iv) Loans | 0.01 | 0.02 |
| (v) Others financial assets | 29.30 | 20.54 |
| (c) Other current assets | 36.03 | 42.46 |
| (d) Assets held for sale | - | 0.01 |
| Total current assets | 688.99 | 528.20 |
| TOTAL ASSETS | 1,386.40 | 1,175.01 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| (a) Equity share capital | 14.14 | 14.12 |
| (b) Other equity | 704.06 | 600.51 |
| Total equity | 718.20 | 614.63 |
| Liabilities | | |
| Non-current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 17.20 | 26.15 |
| (ii) Lease liabilities | 0.24 | 0.38 |
| (iii) Other financial liabilities | 19.64 | 19.69 |
| (b) Contract liabilities | 1.96 | - |
| (c) Other non-current liabilities | 0.59 | 0.95 |
| Total non-current liabilities | 39.63 | 47.17 |
| Current liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 58.70 | 67.45 |
| (ii) Trade payables | | |
| - total outstanding dues of micro enterprises and small enterprises; and | 12.08 | 13.32 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 485.98 | 357.51 |
| (iii) Lease liabilities | 0.37 | 0.37 |
| (iv) Other financial liabilities | 33.78 | 30.42 |
| (b) Contract liabilities | 0.52 | - |
| (c) Provisions | 14.08 | 12.65 |
| (d) Other current liabilities | 23.06 | 31.13 |
| (e) Liabilities directly associated with assets held for sale (net) | - | 0.36 |
| Total current liabilities | 628.57 | 513.21 |
| Total liabilities | 668.20 | 560.38 |
| TOTAL EQUITY AND LIABILITIES | 1,386.40 | 1,175.01 |



Notes:

3 Standalone Statement of Cash Flows

(Rs. in crores)

| Particulars | Half Year ended September 30, 2023 Unaudited | Half Year ended September 30, 2022 Unaudited |
|--------------------------------------------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| A. Cash flows from operating activities | | |
| Profit before tax for the period | 48.41 | 27.64 |
| Adjustments for: | | |
| Employee share-based payment expense | 0.17 | 1.03 |
| Depreciation and amortisation expense | 7.74 | 7.67 |
| Finance costs | 6.64 | 8.74 |
| Net gain on disposal of property, plant and equipment, investment properties and assets held for sale | (18.30) | (7.60) |
| Net gain on sale of subsidiary | - | (3.62) |
| Interest income | (1.82) | (2.67) |
| Apportioned income from Government grants | (0.37) | (0.65) |
| Dividend income from equity investments designated at fair value through other comprehensive income | (7.59) | (7.58) |
| Income from sale of development rights | (9.11) | - |
| Rental income from investment properties | (1.98) | (1.62) |
| Utility / business service / air-conditioning charges and other receipts in respect of investment properties | (2.46) | (2.30) |
| Liabilities / provisions no longer required written back | (0.74) | (1.02) |
| Bad debts written off | 0.28 | 0.01 |
| Advances written off | 0.73 | - |
| Loss allowance on trade receivables / (written back) | 1.75 | (0.21) |
| Loss allowance on deposits | - | 0.42 |
| Net unrealised exchange gain | (0.10) | (0.49) |
| Operating profit before working capital changes | 23.25 | 17.75 |
| Changes in working capital | | |
| Adjustments for: | | |
| Decrease / (increase) in inventories | 9.92 | (20.63) |
| Increase in trade and other receivables | (171.60) | (98.10) |
| Increase in trade and other payables | 125.44 | 83.40 |
| Increase / (Decrease) in provisions | 1.43 | (0.30) |
| | (34.81) | (35.63) |
| Cash used in operations | (11.56) | (17.88) |
| Direct taxes paid (net of refund received) | (1.84) | (0.32) |
| Net cash outflow from operating activities | (13.40) | (18.20) |
| B. Cash flows from investing activities | | |
| Payments for property, plant and equipment and intangible assets | (2.24) | (12.89) |
| Proceeds from sale of investment properties (net) | 18.15 | - |
| Proceeds from sale of property, plant and equipment / assets held for sale | 0.10 | 4.16 |
| Purchase of investments | - | (0.10) |
| Proceeds from sale of investments | - | 1.24 |
| Proceeds from sale of subsidiary | - | 4.07 |
| Term deposits matured / (placed) with banks (net) | (7.46) | (0.10) |
| Interest income received | 0.76 | 2.16 |
| Dividend income from equity investments designated at fair value through other comprehensive income | 7.59 | 7.58 |
| Proceeds from sale of development rights | 9.22 | - |
| Rental income from investment properties | 1.98 | 1.62 |
| Utility / business service / air-conditioning charges and other receipts in respect of investment properties | 2.46 | 2.30 |
| Net cash inflow from investing activities | 30.56 | 10.04 |
| C. Cash flows from financing activities | | |
| Proceeds from issues of equity shares | 0.42 | 0.20 |
| Non-current borrowings taken | 9.90 | 1.70 |
| Non-current borrowings repaid | (18.53) | (11.90) |
| Current borrowings taken / (repaid) (net) | (9.16) | 1.27 |
| Principal element of lease payment | (0.13) | - |
| Interest paid on lease liabilities | (0.05) | - |
| Interest paid (including other finance costs) | (6.34) | (8.92) |
| Net cash outflow from financing activities | (23.89) | (17.65) |
| Net decrease in cash and cash equivalents | (6.73) | (25.81) |
| Cash and cash equivalents at the beginning of the period | 48.83 | 52.86 |
| Cash and cash equivalents at the end of the period | 42.10 | 27.05 |

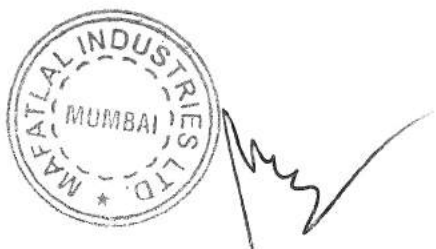



Notes:

4. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 7, 2023. They have been subjected to Limited Review by the Statutory Auditors.
5. Other income includes net profit on sale of investment property and land parcels aggregating to Rs. Nil and Rs. 18.51 crores for the quarter and half year ended September 30, 2023, respectively (Rs. Nil and Rs. 5.65 crores for the quarter and half year ended September 30, 2022, respectively, Rs. 18.51 crores for the quarter ended June 30, 2023).

During the current quarter ended September 30, 2023, the Company received the Development Right Certificate (DRC) from Brihanmumbai Municipal Corporation with credit of 1,203.58 square metres against the surrender of the property with area 481.43 square metres situated at NM Joshi Marg, Lower Parel to Maharashtra Housing and Area Development Authority (MHADA) in 2007. The Company has sold the aforementioned DRC and earned profit of Rs. 9.11 crores which is included in other income for the quarter and half year ended September 30, 2023.

6. On June 16, 2022, the Board of Directors of the Company approved the divestment of its investment in Vrata Tech Solutions Private Limited (VTS), a subsidiary company representing 77.78% of the paid-up share capital of VTS. As a result, a Share Purchase Agreement was entered on June 20, 2022, with a promoter group company for the total consideration of Rs. 4.07 crores, (based on fair value of equity share of VTS carried-out by the independent valuer) which was concluded on June 30, 2022. Upon receipt of consideration, profit of Rs. 3.62 crores was accounted in the quarter ended June 30, 2022 and included in other income. Subsequent to this transaction, VTS ceased to be a subsidiary of the Company with effect from June 30, 2022.
7. During the financial year ended March 31, 2023, the Company had recognized Rs. 0.54 crores as expense towards compensation payable as full and final settlement to its remaining workers at Navsari location. The same was disclosed as an exceptional item for the financial year ended March 31, 2023.
8. The Board of Directors at its meeting held on September 17, 2022, recommended a proposal for sub-division of 1 equity share of the Company having a face value of Rs. 10/- each into 5 equity shares having a face value of Rs. 2/- each, which had also been approved by the shareholders of the Company on November 7, 2022. The Company had fixed November 25, 2022, as the record date for such sub-division and completed the process of allotment of the new equity shares having face value of Rs. 2/- each on November 25, 2022. The basic and diluted EPS for the quarter and half year ended September 30, 2022, have been restated considering a face value of Rs. 2/- each in accordance with Ind AS 33 – "Earnings per share".
9. The Board of Directors of the Company at its meeting held on November 14, 2022, approved the scheme of arrangement for capital reduction and reorganisation pursuant to the provisions of Section 230 and other applicable provisions of the Companies Act, 2013. The company has filed an application with the Honourable NCLT, Ahmedabad Bench. The scheme will be given effect to on receipt of requisite approvals.
10. Previous period figures have been regrouped/reclassified, wherever necessary, to conform to the current period classification.



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

H. A. Mafatlal
Chairman
(DIN:00009872)
Mumbai
November 7, 2023.

Price Waterhouse Chartered Accountants LLP

Independent Auditor's Review Report on Unaudited Consolidated Financial Results

To
The Board of Directors
M/s. Mafatlal Industries Limited
4th Floor, Mafatlal House, H.T. Parekh Marg,
Backbay Reclamation, Churchgate,
Mumbai – 400 020

1. We have reviewed the unaudited consolidated financial results of Mafatlal Industries Limited (the "Parent") and its subsidiary (the parent and its subsidiary hereinafter referred to as the "Group") (refer paragraph 4 below) for the quarter ended September 30, 2023 and year to date results for the period April 1, 2023 to September 30, 2023, which are included in the accompanying 'Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2023', the Consolidated Statement of Assets and Liabilities as on that date and the Consolidated Statement of Cash Flows for the half-year ended on that date (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes.
2. This Statement, which is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33 (8) of Listing Regulations, 2015, to the extent applicable.

4. The Statement includes the results of the Parent and one subsidiary - Mafatlal Services Limited.



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Western Express Highway, Goregaon East, Mumbai – 400 063
T: +91 (22) 61198000, F: +91 (22) 61198799

Registered office and Head office: 11-A, Vishnu Digamber Marg, Sucheta Bhawan, Gate No 2, 1st Floor, New Delhi - 110002

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

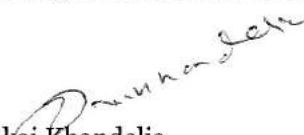
Price Waterhouse Chartered Accountants LLP

To the Board of Directors of Mafatlal Industries Limited
Independent Auditor's Review Report on Unaudited Consolidated Financial Results

Page 2 of 2

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The Statement includes the interim financial information of one subsidiary which has not been reviewed by their auditors, whose interim financial information reflect total assets of Rs. 0.12 crore and net assets of Rs. 0.04 crore as at September 30, 2023 and total revenue of Rs. 0.08 crore and Rs. 0.15 crore, total net profit after tax and total comprehensive income of Rs. Nil for the quarter and half year ended September 30, 2023, respectively, and cash outflows (net) of Rs. 0.15 crore for the half year ended September 30, 2023, as considered in the Statement. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group. Our conclusion on the Statement is not modified in respect of this matter.

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


Pankaj Khandelia
Partner

Membership Number: 102022

UDIN: 23102022BATWQAN3055

Place: Mumbai
Date: November 7, 2023

MAFATLAL INDUSTRIES LIMITED

Regd. Office: 301-302, Heritage Horizon, 3rd Floor, Off C. G. Road, Navrangpura, Ahmedabad - 380 009.

Tel: 079-26444404-06, Fax: 079-26444403, Website: www.mafatlals.com,

Email: ahmedabad@mafatlals.com, CIN: L17110GJ1913PLC000035

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

(Rs. in crores)

| Sr. No. | PARTICULARS | Quarter ended | | | Half Year ended | | Financial Year ended |
|---------|--------------------------------------------------------------------------------------------|---------------------------------|----------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------|
| | | September 30, 2023 Unaudited | June 30, 2023 Unaudited | September 30, 2022 Unaudited | September 30, 2023 Unaudited | September 30, 2022 Unaudited | March 31, 2023 Audited |
| 1 | Income | | | | | | |
| a | Revenue from operations | 308.61 | 585.61 | 357.47 | 894.22 | 740.80 | 1,371.71 |
| b | Other income (Refer Notes 5 and 6) | 20.71 | 22.52 | 11.37 | 43.23 | 28.43 | 45.20 |
| | Total income (a + b) | 329.32 | 608.13 | 368.84 | 937.45 | 769.23 | 1,416.91 |
| 2 | Expenses | | | | | | |
| a | Cost of materials consumed | 30.76 | 40.65 | 48.20 | 71.41 | 116.97 | 200.58 |
| b | Purchases of stock-in-trade | 228.49 | 416.62 | 270.08 | 645.11 | 513.69 | 907.49 |
| c | Changes in inventories of finished goods, work-in-progress and stock-in-trade | (3.98) | 13.80 | (23.46) | 9.82 | (22.03) | (34.89) |
| d | Employee benefits expense | 15.68 | 16.22 | 12.41 | 31.90 | 26.31 | 53.16 |
| e | Finance costs | 3.17 | 3.47 | 4.54 | 6.54 | 8.74 | 17.72 |
| f | Depreciation and amortisation expense | 3.84 | 3.90 | 3.95 | 7.74 | 7.73 | 15.43 |
| g | Other expenses | 30.43 | 85.99 | 44.45 | 116.42 | 90.60 | 217.02 |
| | Total expenses | 308.39 | 580.65 | 360.17 | 889.04 | 742.01 | 1,376.51 |
| 3 | Profit before exceptional items and tax (1 - 2) | 20.93 | 27.48 | 8.67 | 48.41 | 27.22 | 40.40 |
| 4 | Exceptional items (Refer Note 7) | - | - | - | - | - | (0.54) |
| 5 | Profit before tax for the period / year (3 - 4) | 20.93 | 27.48 | 8.67 | 48.41 | 27.22 | 39.86 |
| 6 | Tax expense | | | | | | |
| a | Current tax | - | - | - | - | - | - |
| b | Deferred tax charge | - | - | - | - | (2.79) | (2.79) |
| | Total tax expense | - | - | - | - | (2.79) | (2.79) |
| 7 | Profit for the period / year (5 - 6) | 20.93 | 27.48 | 8.67 | 48.41 | 24.43 | 37.07 |
| 8 | Other comprehensive income | | | | | | |
| | Items that will not be reclassified to profit or loss | | | | | | |
| | - Changes in fair value of FVOCI equity instruments | 17.81 | 36.76 | (0.25) | 54.57 | 9.14 | (108.76) |
| | - Remeasurements of post-employment benefit obligations | - | - | (0.04) | - | (0.09) | (2.34) |
| 9 | Total comprehensive income for the period / year (7 + 8) | 38.74 | 64.24 | 8.38 | 102.98 | 33.48 | (74.03) |
| 10 | Profit / (Loss) is attributable to | | | | | | |
| | Owners of Mafatlal Industries Limited | 20.93 | 27.48 | 8.67 | 48.41 | 24.54 | 37.18 |
| | Non controlling interest | - | - | - | - | (0.11) | (0.11) |
| | | 20.93 | 27.48 | 8.67 | 48.41 | 24.43 | 37.07 |
| 11 | Other comprehensive income is attributable to | | | | | | |
| | Owners of Mafatlal Industries Limited | 17.81 | 36.76 | (0.29) | 54.57 | 9.05 | (111.10) |
| | Non controlling interest | - | - | - | - | - | - |
| | | 17.81 | 36.76 | (0.29) | 54.57 | 9.05 | (111.10) |
| 12 | Total comprehensive income is attributable to | | | | | | |
| | Owners of Mafatlal Industries Limited | 38.74 | 64.24 | 8.38 | 102.98 | 33.59 | (73.92) |
| | Non controlling interest | - | - | - | - | (0.11) | (0.11) |
| | | 38.74 | 64.24 | 8.38 | 102.98 | 33.48 | (74.03) |
| 13 | Paid-up equity share capital (face value of Rs. 2/- per share) (Refer Note 8) | 14.14 | 14.12 | 14.10 | 14.14 | 14.10 | 14.12 |
| 14 | Other equity | - | - | - | - | - | 600.33 |
| 15 | Earnings per share (face value of Rs.2/- per share) (not annualized) (Refer Note 8) | | | | | | |
| | - Basic (Rs.) | 2.96 | 3.89 | 1.23 | 6.85 | 3.47 | 5.26 |
| | - Diluted (Rs.) | 2.92 | 3.87 | 1.22 | 6.77 | 3.47 | 5.22 |

See accompanying notes to the Consolidated Financial Results



Notes:

1 Consolidated Segment wise Revenue, Results, Assets and Liabilities

| Particulars | Quarter ended | | | Half Year ended | | (Rs. in crores) |
|----------------------------------------------------|---------------------------------|----------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------------------------|
| | September 30, 2023 Unaudited | June 30, 2023 Unaudited | September 30, 2022 Unaudited | September 30, 2023 Unaudited | September 30, 2022 Unaudited | Financial Year ended March 31, 2023 Audited |
| Segment Revenue | | | | | | |
| Textile and related products | 302.19 | 567.53 | 347.63 | 869.77 | 730.96 | 1,326.59 |
| Digital Infrastructure* | 6.42 | 18.03 | 9.84 | 24.45 | 9.84 | 45.12 |
| Total Segment Revenue | 308.61 | 585.61 | 357.47 | 894.22 | 740.80 | 1,371.71 |
| Segment Results | | | | | | |
| Textile and related products | 10.98 | 15.11 | 6.36 | 26.09 | 22.60 | 42.39 |
| Digital Infrastructure* | 0.40 | 2.02 | 1.48 | 2.42 | 1.48 | 4.39 |
| Segment Profit before finance costs and tax | 11.38 | 17.13 | 7.84 | 28.51 | 24.08 | 46.78 |
| Less: Finance costs (Unallocable) | (3.17) | (3.47) | (4.54) | (6.64) | (8.74) | (17.72) |
| Add: Unallocable income / (expenses) (net) | 12.72 | 13.82 | 5.37 | 26.54 | 11.88 | 11.34 |
| Profit before exceptional items and tax | 20.93 | 27.48 | 8.67 | 48.41 | 27.22 | 40.40 |
| Less: Exceptional items | - | - | - | - | - | (0.54) |
| Profit before tax for the period / year | 20.93 | 27.48 | 8.67 | 48.41 | 27.22 | 39.86 |
| Segment Assets | | | | | | |
| Textile and related products | 680.99 | 746.48 | 582.76 | 680.99 | 582.76 | 602.14 |
| Digital Infrastructure* | 15.89 | 25.07 | 29.84 | 15.89 | 29.84 | 0.93 |
| Unallocable assets | 689.36 | 610.47 | 710.32 | 689.36 | 710.32 | 571.80 |
| | 1,386.24 | 1,382.02 | 1,322.92 | 1,386.24 | 1,322.92 | 1,174.87 |
| Segment Liabilities | | | | | | |
| Textile and related products | 557.84 | 578.44 | 454.97 | 557.84 | 454.97 | 442.82 |
| Digital Infrastructure* | 13.18 | 10.74 | 20.75 | 13.18 | 20.75 | 1.27 |
| Unallocable liabilities | | | | | | |
| - Borrowings | 75.90 | 85.26 | 102.91 | 75.90 | 102.91 | 93.60 |
| - Others | 21.29 | 28.69 | 23.49 | 21.29 | 23.49 | 22.72 |
| | 668.21 | 703.13 | 602.12 | 668.21 | 602.12 | 560.41 |

* Erstwhile known as technology and related products

Footnotes:

i) The Company has identified and reported the below mentioned business segments in accordance with the requirements of Ind AS 108, 'Operating Segments':

- Textile and related products
- Digital Infrastructure*

ii) Unallocable expenses are net of unallocable income (including income from investments and investment properties). Unallocable assets majorly pertain to investments.



Notes:

2 Consolidated Statement of Assets and Liabilities

(Rs. in crores)

| Particulars | As at September 30, 2023 Unaudited | As at March 31, 2023 Audited |
|------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------|
| ASSETS | | |
| Non-current assets | | |
| (a) Property, plant and equipment | 85.59 | 91.02 |
| (b) Right-of-use assets | 0.58 | 0.74 |
| (c) Investment properties | 2.13 | 2.34 |
| (d) Intangible assets | 0.86 | 0.71 |
| (e) Financial assets | | |
| (i) Investments | 577.45 | 522.88 |
| (ii) Trade receivables | 1.42 | - |
| (iii) Others financial assets | 5.20 | 6.95 |
| (f) Deferred tax assets (net) | 4.98 | 4.98 |
| (g) Other non-current assets | 0.53 | 0.70 |
| (h) Current tax assets (net) | 18.39 | 16.21 |
| Total non-current assets | 697.13 | 646.53 |
| Current assets | | |
| (a) Inventories | 96.32 | 106.24 |
| (b) Financial assets | | |
| (i) Trade receivables | 451.81 | 285.89 |
| (ii) Cash and cash equivalents | 42.12 | 48.85 |
| (iii) Bank balances other than (ii) above | 33.51 | 24.32 |
| (iv) Loans | 0.01 | 0.02 |
| (v) Others financial assets | 29.30 | 20.54 |
| (c) Other current assets | 36.04 | 42.47 |
| (d) Assets held for sale | - | 0.01 |
| Total current assets | 689.11 | 528.34 |
| TOTAL ASSETS | 1,386.24 | 1,174.87 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| (a) Equity share capital | 14.14 | 14.12 |
| (b) Other equity | 703.88 | 600.33 |
| Equity attributable to owners of Mafatlal Industries Limited | 718.02 | 614.45 |
| Non-Controlling Interest | 0.01 | 0.01 |
| Total equity | 718.03 | 614.46 |
| Liabilities | | |
| Non-current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 17.20 | 26.15 |
| (ii) Lease liabilities | 0.24 | 0.38 |
| (iii) Other financial liabilities | 19.68 | 19.74 |
| (b) Contract liabilities | 1.96 | - |
| (c) Other non-current liabilities | 0.61 | 0.95 |
| Total non-current liabilities | 39.69 | 47.22 |
| Current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 58.70 | 67.45 |
| (ii) Trade payables | | |
| - total outstanding dues of micro enterprises and small enterprises; and | 12.08 | 13.32 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 485.92 | 357.45 |
| (iii) Lease liabilities | 0.37 | 0.37 |
| (iv) Other financial liabilities | 33.78 | 30.42 |
| (b) Contract liabilities | 0.52 | - |
| (c) Provisions | 14.09 | 12.68 |
| (d) Other current liabilities | 23.06 | 31.14 |
| (e) Liabilities directly associated with assets held for sale (net) | - | 0.36 |
| Total current liabilities | 628.52 | 513.19 |
| Total liabilities | 668.21 | 560.41 |
| TOTAL EQUITY AND LIABILITIES | 1,386.24 | 1,174.87 |



Notes:

3 Consolidated Statement of Cash Flows

(Rs. in crores)

| Particulars | Half Year ended September 30, 2023 Unaudited | Half Year ended September 30, 2022 Unaudited |
|--------------------------------------------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| A. Cash flows from operating activities | | |
| Profit before tax for the period | 48.41 | 27.22 |
| Adjustments for: | | |
| Employee share-based payment expense | 0.17 | 1.03 |
| Depreciation and amortisation expense | 7.74 | 7.73 |
| Finance costs | 6.64 | 8.74 |
| Net gain on disposal of property, plant and equipment, investment properties and assets held for sale | (18.30) | (7.60) |
| Net gain on sale of subsidiary | - | (3.72) |
| Interest income | (1.82) | (2.67) |
| Apportioned income from Government grants | (0.37) | (0.65) |
| Dividend income from equity investments designated at fair value through other comprehensive income | (7.59) | (7.58) |
| Income from sale of development rights | (9.11) | - |
| Rental income from investment properties | (1.98) | (1.61) |
| Utility / business service / air-conditioning charges and other receipts in respect of investment properties | (2.46) | (2.30) |
| Liabilities / provisions no longer required written back | (0.74) | (1.02) |
| Bad debts written off | 0.28 | 0.01 |
| Advances written off | 0.73 | - |
| Loss allowance on trade receivables / (written back) | 1.75 | (0.21) |
| Loss allowance on deposits | - | 0.43 |
| Net unrealised exchange gain | (0.10) | (0.49) |
| Operating profit before working capital changes | 23.25 | 17.31 |
| Changes in working capital | | |
| Adjustments for: | | |
| Decrease / (increase) in inventories | 9.92 | (20.91) |
| Increase in trade and other receivables | (171.60) | (98.26) |
| Increase in trade and other payables | 125.45 | 83.50 |
| Increase / (Decrease) in provisions | 1.42 | (0.33) |
| | (34.81) | (36.00) |
| Cash used in operations | (11.56) | (18.69) |
| Direct taxes paid (net of refund received) | (1.84) | (0.32) |
| Net cash outflow from operating activities | (13.40) | (19.01) |
| B. Cash flows from investing activities | | |
| Payments for property, plant and equipment and intangible assets | (2.24) | (12.94) |
| Proceeds from sale of investment properties (net) | 18.15 | - |
| Proceeds from sale of property, plant and equipment / assets held for sale | 0.10 | 4.16 |
| Purchase of investments | - | (0.10) |
| Proceeds from sale of investments | - | 1.24 |
| Proceeds from sale of subsidiary (net of cash disposed) | - | 3.56 |
| Term deposits matured / (placed) with banks (net) | (7.46) | (0.10) |
| Interest income received | 0.76 | 2.16 |
| Dividend income from equity investments designated at fair value through other comprehensive income | 7.59 | 7.58 |
| Proceeds from sale of development rights | 9.22 | - |
| Rental income from investment properties | 1.98 | 1.62 |
| Utility / business service / air-conditioning charges and other receipts in respect of investment properties | 2.46 | 2.30 |
| Net cash inflow from investing activities | 30.56 | 9.48 |
| C. Cash flows from financing activities | | |
| Proceeds from issues of equity shares | 0.42 | 0.20 |
| Non-current borrowings taken | 9.90 | 1.70 |
| Non-current borrowings repaid | (18.53) | (11.90) |
| Current borrowings taken / (repaid) (net) | (9.16) | 2.02 |
| Principal element of lease payment | (0.13) | (0.18) |
| Interest paid on lease liabilities | (0.05) | (0.02) |
| Interest paid (including other finance costs) | (6.34) | (8.92) |
| Net cash outflow from financing activities | (23.89) | (17.10) |
| Net decrease in cash and cash equivalents | (6.73) | (26.63) |
| Cash and cash equivalents at the beginning of the period | 48.85 | 53.69 |
| Cash and cash equivalents at the end of the period | 42.12 | 27.06 |



Notes:

4. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 7, 2023. They have been subjected to Limited Review by the Statutory Auditors.
5. Other income includes net profit on sale of investment property and land parcels aggregating to Rs. Nil and Rs. 18.51 crores for the quarter and half year ended September 30, 2023, respectively (Rs. Nil and Rs. 5.65 crores for the quarter and half year ended September 30, 2022, respectively, Rs. 18.51 crores for the quarter ended June 30, 2023).

During the current quarter ended September 30, 2023, the Company received the Development Right Certificate (DRC) from Brihanmumbai Municipal Corporation with credit of 1,203.58 square metres against the surrender of the property with area 481.43 square metres situated at NM Joshi Marg, Lower Parel to Maharashtra Housing and Area Development Authority (MHADA) in 2007. The Company has sold the aforementioned DRC and earned profit of Rs. 9.11 crores which is included in other income for the quarter and half year ended September 30, 2023.

6. On June 16, 2022, the Board of Directors of the Company approved the divestment of its investment in Vrata Tech Solutions Private Limited (VTS), a subsidiary company representing 77.78% of the paid-up share capital of VTS. As a result, a Share Purchase Agreement was entered on June 20, 2022, with a promoter group company for the total consideration of Rs. 4.07 crores, (based on fair value of equity share of VTS carried-out by the independent valuer) which was concluded on June 30, 2022. Upon receipt of consideration, profit of Rs. 3.72 crores was accounted in the quarter ended June 30, 2022 and included in other income. Subsequent to this transaction, VTS ceased to be a subsidiary of the Company with effect from June 30, 2022.
7. During the financial year ended March 31, 2023, the Company had recognized Rs. 0.54 crores as expense towards compensation payable as full and final settlement to its remaining workers at Navsari location. The same was disclosed as an exceptional item for the financial year ended March 31, 2023.
8. The Board of Directors at its meeting held on September 17, 2022, recommended a proposal for sub-division of 1 equity share of the Company having a face value of Rs. 10/- each into 5 equity shares having a face value of Rs. 2/- each, which had also been approved by the shareholders of the Company on November 7, 2022. The Company had fixed November 25, 2022, as the record date for such sub-division and completed the process of allotment of the new equity shares having face value of Rs. 2/- each on November 25, 2022. The basic and diluted EPS for the quarter and half year ended September 30, 2022, have been restated considering a face value of Rs. 2/- each in accordance with Ind AS 33 – "Earnings per share".
9. The Board of Directors of the Company at its meeting held on November 14, 2022, approved the scheme of arrangement for capital reduction and reorganisation pursuant to the provisions of Section 230 and other applicable provisions of the Companies Act, 2013. The company has filed an application with the Honorable NCLT, Ahmedabad Bench. The scheme will be given effect to on receipt of requisite approvals.
10. The consolidated financial results include the financial results of two subsidiaries:
 - a. Mafatlal Services Limited (MSL)
 - b. Vrata Tech Solutions Private Limited (VTS) (up to June 30, 2022; also refer note 6).
11. Previous period figures have been regrouped/reclassified, wherever necessary, to conform to the current period classification.



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

H. A. Mafatlal
Chairman
(DIN:00009872)
Mumbai
November 7, 2023.



MAFATLAL INDUSTRIES LIMITED

Corporate Office : 5th Floor, Mafatlal House, H. T. Parekh Marg,
Backbay Reclamation, Churchgate, Mumbai - 400 020.
91 22 6771 3800 / 3900
website: www.mafatlals.com
Regd. Office : 301-302, Heritage Horizon, Third Floor,
off. C. G. Road, Ahmedabad. 380 009. India
91 79 2644 4404 F: 91 79 2644 4403
CIN: L17110GJ1913PLC000035

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF MAFATLAL INDUSTRIES LIMITED ("COMPANY") AT ITS MEETING HELD ON MONDAY, 14TH NOVEMBER 2022 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT BETWEEN THE COMPANY AND ITS SHAREHOLDERS UNDER SECTION 230 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT 2013 ("SCHEME") ON THE EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS OF THE COMPANY

BACKGROUND

1. The Board of Directors of the Company ("**Board**") at its meeting held on 14th November 2022 has approved the Scheme.
2. The Scheme provides for reduction and reorganization of capital of the Company.
3. The Appointed Date for the Scheme means the opening business hours of 1st April 2022, or such other date as may be approved by the Board of the Company.
4. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.
5. The rationale and the benefits of the Scheme which, *inter-alia*, are as follows:
 - a) The Company has suffered substantial losses during the past few years, due to which the Company's retained earnings had turned negative.
 - b) During the financial years 2020-21 and 2021-22, the Company implemented several strategic cost control measures, and evolved towards an asset-light model marked by lower overheads and liabilities.
 - c) During the financial year 2021-22, the Company further strengthened the effectiveness of its manufacturing operations, improved the inventory turnaround time, and widened its marketing cum distribution network.
 - d) Despite generating substantial profits during the financial year 2021-22, the Company continues to carry a debit balance of Retained Earnings on its balance sheet as on 31st March 2022. At the same time, the Company has unutilized balances lying under various reserves, which are neither earmarked for any specific purpose, nor have any lien marked thereon and/or obligation attached thereto.
 - e) In the circumstances, the Company is of the view that the financial statements of the Company are not reflective of its true current financial health and therefore, it is necessary to reduce and reorganize the capital of the Company.



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CIN: L17110GJ1913PLC000035

- f) The proposed Scheme proposes to set-off the debit balance of Retained Earnings of the Company against the credit balance lying in its Reserves (inter alia the Securities Premium).
- g) The proposed reduction and reorganization of the capital is in the interest of the Company, its shareholders, creditors and all concerned stakeholders. If the Scheme is approved, the books of the Company would present a fair representation of the financial position of the Company and would enable the Company to explore opportunities for the benefit of its shareholders.

The proposed reduction and reorganization of capital and reserves are in the best interest of the Company and its shareholders, creditors and all concerned.

VALUATION DIFFICULTIES (IF ANY)

The Scheme provides for reduction and reorganization of capital of the Company. Pursuant to the Scheme no consideration, in form of cash, shares or otherwise, is proposed to be paid by the Company. Accordingly, there is no requirement to obtain a valuation report from a registered valuer, in connection with shares, assets or business of the Company. Since, valuation report is not required for the present Scheme, there is also no requirement to obtain any fairness opinion from a merchant banker.

Thus, in view of the above, the question of the Company facing special valuation difficulties does not arise.

EFFECT OF THE SCHEME ON THE EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL (KMPs), PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1. Equity Shareholders (including Promoter and Non-promoter)'

In terms of the Scheme, no consideration shall be issued by the Company. Thus, there is no change in the shareholding pattern (including promoter and non-promoter equity shareholders) or share capital of the Company pursuant to the Scheme.

2. Key Managerial Personnel (KMPs)

The Scheme will have no effect on KMPs of the Company. Upon effectiveness of the Scheme, the KMPs of the Company will continue to be KMPs of the Company as before.

On behalf of **MAFATLAL INDUSTRIES LIMITED**

H. A. Mafatlal
Chairman (DIN: 00009872)



Place: Mumbai
Date: 14th November 2022



ARVIND MAFATLAL GROUP
The ethics of excellence

DCS/AMAL/PB/R37/2879/2023-24

August 22, 2023

The Company Secretary,
MAFATLAL INDUSTRIES LTD.
301-302, Heritage Horizon, Third Floor, Off. C. G.
Road, Navrangpura, Ahmedabad, Gujarat, 380009

Dear Sir,

Sub: Observation letter regarding the Scheme of Arrangement between Mafatlal Industries Ltd and its shareholders.

We are in receipt of the Scheme of Arrangement between Mafatlal Industries Ltd and its shareholders filed by Mafatlal Industries Ltd as required under SEBI Master circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 and Regulation 94(2) of SEBI (LODR) Regulations, 2015; SEBI vide its letter dated August 18, 2023 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- a) "Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."
- b) "Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
- c) "Company shall ensure compliance with the SEBI circulars issued from time to time."
- d) "The entities involved in the Scheme shall duly comply with various provisions of the Circular."
- e) "Company is advised that the information pertaining to all the Unlisted Companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."
- f) "Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."
- g) "Company is advised that the details of the proposed scheme under consideration as provided by Company to the stock exchange shall be prominently disclosed in the notice sent to the shareholders."
- h) "Company is advised that the proposed equity shares to be issued in terms of the 'Scheme' shall mandatorily be in demat form only."
- i) "Company shall ensure that the Scheme shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."
- j) "Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."

- k) "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company is obliged to bring the observations to the notice of Hon'ble NCLT."
- l) "Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."
- m) "It is to be noted that the petitions are filed by the company before Hon'ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.


Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be is required to be served upon the Exchange seeking representations or objections if any.

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, would be accepted and processed through the

Listing Centre only and no physical filings would be accepted. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,


Mangesh Tayde
Deputy General Manager


Tanmayi Lele
Assistant Manager

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001
BSE Code: 500264

26th December 2022

Dear Madam / Sir,

Sub: The Scheme of Arrangement between the Company and its Shareholders for reduction & reorganisation of Share Capital of the Company under Section 230 and other applicable provisions of the Companies Act, 2013 ("Act") ("Scheme"), under the Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ref: Report on Complaint in terms of Para I(A)(6) of the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23rd November 2021, as amended from time to time ("SEBI Master Circular").

This is in reference to the Scheme filed by the Company under Regulation 37 of the SEBI Listing Regulations with BSE Limited ("BSE") on 23rd November, 2022.

As per Para I(A)(6) of the SEBI Master Circular, the Company is inter-alia required to submit a 'Report on Complaints' containing the details of complaints received by the Company on the Scheme from various sources within 7 days of expiry of 21 days from the date of uploading of the draft Scheme and related documents on the website of the relevant stock exchange.

The period of 21 days from the date of uploading of the draft Scheme along with related documents by BSE Limited on its website i.e. 2nd December, 2022, has expired on 23rd December, 2022, accordingly, we attach herewith a 'Report on Complaints', as **Annexure-I** to this letter.

The Report on Complaints is also being uploaded on the website of the Company, i.e., www.mafatlals.com, as per requirement of the aforementioned said SEBI Master Circular.

We request you to take the above on record as compliance under the applicable provisions of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 and SEBI Circulars.

Thanking you,

Yours faithfully,

FOR MAFATLAL INDUSTRIES LIMITED

AMISH
KUMAR
SHAH
Digitally signed by
AMISH KUMAR
SHAH
Date: 2022.12.26
14:36:40 +05'30'

AMISH SHAH

COMPANY SECRETARY

End: A/A

Complaints Report
[For Scheme of Arrangement of Mafatlal Industries Limited and its Shareholders]

Period of Complaints Report: 2nd December 2022 to 23rd December 2022

Part A

| Sr. No. | Particulars | Number |
|---------|---------------------------------------------------------|--------|
| 1. | Number of complaints received directly | Nil |
| 2. | Number of complaints forwarded by Stock Exchanges/ SEBI | Nil |
| 3. | Total Number of complaints/comments received (1+2) | Nil |
| 4. | Number of complaints resolved | Nil |
| 5. | Number of complaints pending | Nil |

Part B

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---------|---------------------|-------------------|---------------------------|
| 1. | - | - | - |
| 2. | - | - | - |
| 3. | - | - | - |