

November 14, 2022

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

Dear Sirs,

BSE Code: 500264.

Sub: Intimation of the outcome of the meeting of the Board of Directors of Mafatlal Industries Ltd. ("Company") held on 14th November 2022, and disclosures under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, read with sub para 1.5 of Para A.1. of Annexure- I of Circular bearing number CIR/CFD/CMD/4/2015 dated 9th September 2015, issued by SEBI.

The Board of Directors of the Company ("Board") at their meeting held today approved 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") ("The Scheme") which provides for reduction and reorganization of capital of the Company with effect from "the Appointed Date" (as defined in the Scheme).

In terms of the SEBI (LODR) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September 2015, we are furnishing herewith the requisite details in ANNEXURE- A, hereto.

The Scheme as approved by the Board would be available on the website of the Company post filing of the same with BSE Limited (Stock Exchange). The Board's approval of the Scheme as aforesaid is subject to necessary approvals by the Stock Exchange, SEBI, shareholders of the company, Ahmedabad Bench of National Company Law Tribunal and such other statutory and regulatory approvals as may be required.

You are requested to take the above on your record.

Thanking you,

Yours faithfully,

FOR MAFATLAL INDUSTRIES LIMITED

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AMISH KUMAR
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Date: 2022.11.14
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AMISH SHAH

COMPANY SECRETARY

End: A/A



ANNEXURE- A

Sr. No.	Particulars	Details
1.	Details and reasons for restructuring	<p>DETAILS OF THE SCHEME:</p> <p>The Scheme provides reduction & re-organisation of Share Capital of the Company under Section 230 and other applicable provisions of the Companies Act, 2013 (“Act”).</p> <p>REASONS FOR RESTRUCTURING:</p> <p>a) The Company has suffered substantial losses during the past few years, due to which the Company’s retained earnings had turned negative.</p> <p>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.</p> <p>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.</p> <p>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</p>



		<p>any lien marked thereon and/or obligation attached thereto.</p> <p>e) In the circumstances, the Company is of the view that the financial statements of the Company are not reflecting of its true current financial health and therefore, it is necessary to reduce and reorganize the capital of the Company.</p> <p>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).</p> <p>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.</p>
2.	Quantitative and/ or qualitative effect of restructuring.	<p>Pursuant to Scheme, debit balance of the Retained Earnings (as defined in the Scheme) of the Company as on the Appointed Date will be adjusted against its identified reserves inter alia the security premium.</p> <p>Upon the Scheme becoming effective, the negative balance of the Retained Earnings shall stand at NIL.</p> <p>Further, entire credit balance of ; (i) Capital Reserve No.1, (ii) Capital Reserve No. 2, (iii) Capital Reserve on Amalgamation, (iv) Capital</p>



		<p>Redemption Reserve, shall stand at NIL and credit balance in Security Premium shall stand at Rs. 70,95,40,961.12.</p> <p>There is no outflow of cash from the Company on account of the Scheme.</p> <p>The Scheme will not have any adverse impact on the interests of the shareholders, creditors or stakeholders of the Company.</p>
3.	<p>Details of benefit, if any, to the promoter/promoter group/group companies from such proposed Restructuring.</p>	<p>The Scheme anticipates reduction and reorganization of capital of the Company.</p> <p>Pursuant to the Scheme, no consideration is proposed to be issued to the shareholders (promoter or public) and hence, there will be no alteration in the rights of any shareholder (promoter or public).</p> <p>No specific benefit is derived by the promoter / promoter group of the Company pursuant to the Scheme.</p>
4.	<p>Brief details of change in shareholding pattern (if any) of all entities.</p>	<p>Pursuant to the Scheme, there shall be no change in the shareholding pattern of the Company.</p>

