

Mafatlal

MAFATLAL INDUSTRIES LIMITED

Corporate Office : Mafatlal House, H. T. Parekh Marg,
Backbay Reclamation, Mumbai 400 020, India
Tel.: 91 22 4008 3636 Fax: 91 22 6634 5154 / 40083719
website : www.mafatlals.com
Regd. Office : 301-302, Heritage Horizon, Third Floor,
off. C. G. Road, Ahmedabad. 380 009, India
Tel: 91 79 2644 4404 F: 91 79 2644 4403
Email: ahmedabad@mafatlals.com
CIN: L17110GJ1913PLC000035

To,

1. BSE Limited
Phiroze Jijibhoy Towers,
Dalal Street
Mumbai 400 023
2. Ahmedabad Stock Exchange Limited
1st floor, Kamdhenu Complex
Opp. Sahajanand College
Panjara Pole
Ahmedabad 380 015

9th November, 2016

Dear Sirs,

Re: News item in "Mumbai Mirror" issue dated 8th November 2016
about our land at Mazgaon, Mumbai

Our attention has been drawn to the write up which has appeared on 8th November, 2016 on the 1st page of the news paper "Mumbai Mirror" with misleading title. For the sake of convenience we are enclosing a clipping of the said write up. The said write up is published to sensationalize the issue. There is no "controversial deal" as falsely alleged in the title of the said article and several statements are factually incorrect.

2. Our Company, Mafatlal Industries Limited ("MIL") is the Lessee of two parcels of land at Mazgaon in Mumbai. In about 14 acres of the said land we used to run a textile mill which was closed down many years back. Both the said leases under two lease deeds are for 99 years each and are renewable for further period of 99 years (including clause for renewal), on the terms and conditions as mentioned in the said two lease deeds. Both the said Lease Deeds provide a clause that if the Lessee shall sell, assign or part with the said leased land or any part thereof then the Lessee shall, within 21 days after the registration of every such assignment deliver a notice of such assignment to the Lessors. Both the



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said Lease Deeds did not prohibit transfer or assignment nor did they impose any condition on the Lessee in that behalf.

3. One of the said leases expired on 31st August, 2012 and the other is due to expire on 25.07.2017 and in respect of both, option for renewal has been exercised by us. The entire said land was under reservation for extension of Jijamata Udayan from 1966.

4. We were in actual possession of approximately 58197.97 Sq. mtrs of land. Out of this, in respect of 50% of the said land plus set back area (Totalling to 30,910.15 sq.mt) of land which was dereserved and allowed to be developed by Government of Maharashtra's under Notification No. TPB/432001/974/CR-76/2001/UD-11 dated 10.02.2004 we entered into a Development Agreement dated 17-6-2011 with Gliders Buildcon LLP, an entity of Ajay Piramal Group. The intimation about this Development Agreement was given by us to the Stock Exchanges by our letter dated 17-6-2011. The said Development Agreement was registered in the office of the Joint Sub- Registrar at Mumbai (State Government Office) on 17th June, 2011. As provided in the said two Lease Deeds, intimation of our having entered into the said Development Agreement was given to the office of the Collector, Mumbai City, vide our letter dated 8-7-2011.

5. The State Government by its Notification dated 10th February, 2004 referred above modified the development plan to enable our Company to develop approximately 50% of the said land. It is a well known fact that the said notification was challenged in a Public Interest Litigation in which our Company, the State Government as also the Municipal Corporation of Greater Mumbai ("MCGM") were made party respondents. The said PIL Writ Petition was dismissed by the Hon'ble Bombay High Court on 23-09-2009. Thereafter we entered into the said



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Development Agreement dated 17th June, 2011 with Gliders Buildcon LLP an entity of Ajay Piramal Group.

6. Prior to entering in to the said Development Agreement, we had , by our letter dated 9-5-2011, kept both the Stock Exchanges informed about the decision of our Board of Directors to enter in to the said Development Agreement. Our Company had obtained approval of the shareholders for the said transaction by Postal Ballot and the result of the said Postal Ballot was intimated to both the Stock Exchanges by our letter dated 16th June, 2011. As mentioned above, the fact of our Company having entered in to the said Development Agreement dated 17-06-2011 was promptly informed to the Stock Exchanges by our letter dated 17-06-2011. Copies of our said three letters addressed to the Stock Exchanges are enclosed for your ready reference.

7. By our said letter dated 8th July, 2011 addressed to the Collector of Mumbai , we gave intimation about our entering into the said Development Agreement dated 17th June 2011 with Gliders Buildcon LLP and also pointed out therein that the same was registered with the Joint Sub-Registrar of Assurances at Mumbai on 17-6-2011. On further query from the office of the Collector we again, by our letter dated 3rd March, 2012, informed the Collector, Mumbai , that we by our letter dated 8th July, 2011 had given intimation about our entering into the said Development Agreement as required by the said lease deeds. Subsequently, by letters dated 12th March, 2012 and 19th May, 2012, the Collector of Mumbai agreed for renewal of the said two leases on the terms and conditions stipulated in the said letters . Nowhere in the said letters there was any mention about we being required to pay any premium for having entered into the said Development Agreement. By the said letters dated 12th March, 2012 and 19th May, 2012 the Collector also granted permission for development of the said property and required payment of certain adhoc development charges but nowhere it was stipulated that we were required to pay any unearned income as premium.



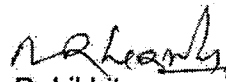
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8. Pursuant to the retrospective amendment made in Section 295 of the Maharashtra Land Revenue Code, 1966 by the Maharashtra Land Revenue Code (4th Amendment) Act, 2016 which was notified in the Official Gazette only on 22nd August, 2016 the office of the Collector raised a demand of Rs. 4,54,35,00,000 /- on our Company by a notice dated 15-10-2016 without even giving our Company any opportunity of hearing. We have sent the said notice along with the relevant papers to our legal advisors for their advice whether the said demand is legal and whether the said amendment made retrospectively at all applies to the Development Agreement which was entered into more than 5 years before the said amendment was notified. Our company ofcourse will contest the demand, as we may be advised on various legal grounds.

9. We are addressing this letter to the Stock Exchange so that all stakeholders and investors would know the facts in the right perspective.

Yours faithfully,
For **MAFATLAL INDUSTRIES LIMITED.**



R. R. Likhite
Gr. Sr. Vice President (HR & Admin)

Encl: a/a



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Mumbai Mirror

FORECAST TEMPERATURE COLABA MAX 30 | MIN 20 | SANTA CRUZ MAX 34 MIN 21 | SUNNY

SUNRISE 0642 HRS | SUNSET 1802 H

GOLD 30210 | SILVER 43008 | DOLLAR 66.7

Business house in the dock for controversial deal with builder Mafatlals asked to pay Rs 454 crore for selling off government land

The sum has been described in the notice as the state's "unearned income" from the company's deal with Gliders Buildcon for the plot of land in Byculla

Yogesh Naik and Makarand Gadgil
@timesgroup.com

TWEETS @sharmeenMIRROR

The city collectorate has demanded over Rs 455 crore from the Hrishikesh Mafatlal-led textile major Mafatlal Industries Ltd for transferring leased government land in Byculla to a third party without the state's consent.

The 30,910-sq mt land is located next to the plot reserved for the

expansion of Byculla zoo, which is awaiting a Rs 120-crore revamp.

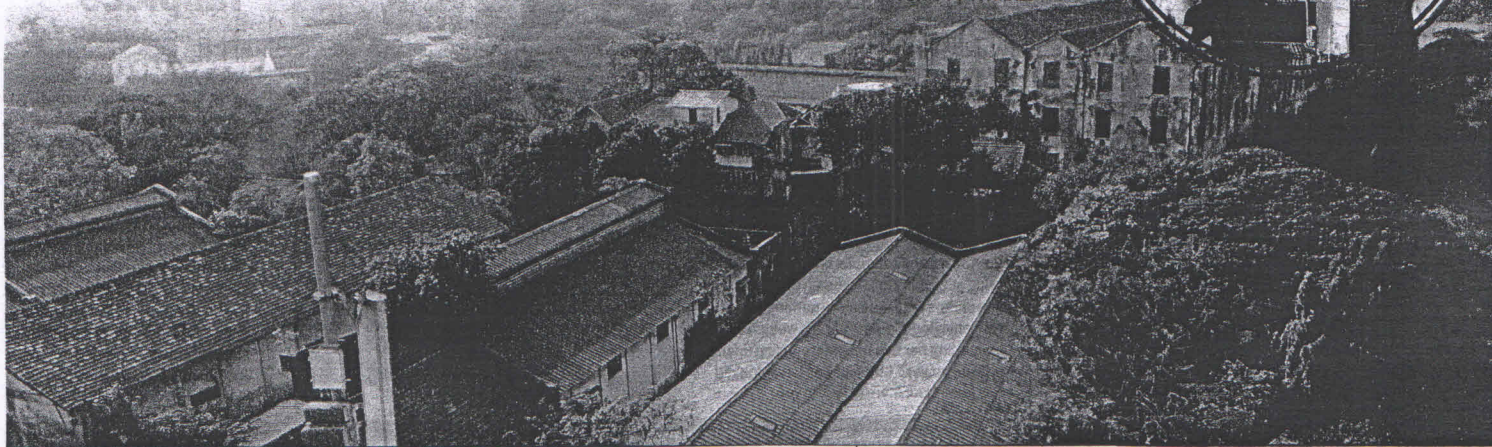
The government learned in 2012 that Mafatlal Industries had transferred the land's development rights to Gliders Buildcon LLP for Rs 605.8 crore in 2011.

Last month, city collector Ashwini Joshi's office sent a notice to Mafatlal Industries, asking it to pay Rs 454.35 crore within 10 days. The sum has been described in the order as the state's "unearned income" from

TURN TO PAGE 11



Hrishikesh Mafatlal



Mafatlals told to pay Rs 454 crore

» PAGE 1

the company's controversial deal with Gliders Buildcon.

Mafatlal Industries is yet to respond to the October 15 notice, a copy of which was obtained by Mirror through the Right to Information Act.

The plot in question was part of a land parcel under the control of the collectorate, which in 1913 leased it to Sassoon Spring & Weaving Company (now Mafatlal Industries) for 99 years. In 2004, the textile major handed over a part of the land for the zoo's expansion while retaining the rest.

Later, the government renewed the lease of the land with Mafatlal Industries, but laid down certain conditions, which included the district collector's approval for any transfer of rights. Of-

ficials were stumped when they learned that the company, after a nod from its shareholders, had transferred development rights in a massive deal without the state's approval.

The collectorate's notice says the company has violated section 295 of the Maharashtra Land Revenue Code, and the government is now free to recover unearned income such as the rent at market rates and the applicable stamp duty. Glider Buildcon will have no right over the property till Mafatlal Industries makes the payment, according to the order.

"Our contention is that they [Mafatlal Industries] have earned something out of our property and they must pay us the unearned income," the superintendent of land records, Jayant Nikam, told Mirror.

It was not possible to contact officials of Mafatlal Industries for a comment.

01/L

Mafatlal

MAFATLAL INDUSTRIES LIMITED

9th May 2011

The Secretary
Ahmedabad Stock Exchange Ltd.
 1st floor, Kamdhenu Complex
 Opp. Sahajanand College
 Panjara Pole,
 Ahmedabad 380 015

Mafatlal House, H. T. Parekh Marg.
 Backbay Reclamation, Mumbai 400 020, India
 T: 91 22 4008 3636 F: 91 22 6635 7633
 website : www.mafatlals.com

The Secretary
Bombay Stock Exchange Ltd.
 Phiroze Jeejeebhoy Towers
 Dalal Street, Fort
 Mumbai 400001.

Dear Sir,

We wish to inform you as under:

1. The Company is a Lessee of the leasehold land admeasuring 58197.97 sq. mtrs. at Mazgaon on which the textile operations of the Company were running till June 2000. Pursuant to the Notification issued by the Government of Maharashtra on 10th February 2004, 50% of the said leasehold land after deduction of road set back area ("the said Reserved Area") is required to be handed over to the Municipal Corporation of Greater Mumbai (MCGM) for the extension of Veer Jeejamata Udyan, and the remaining 50% land is permitted to be developed as provided in the said Notification.
2. The said leasehold land is also identified as a surplus asset for sale / development under the Rehabilitation Scheme of the Company sanctioned by Hon'ble BIFR vide its Order dated 30th October 2002 and Modified Rehabilitation Scheme sanctioned by Hon'ble BIFR vide its Order dated 24th / 25th June 2009. Subsequently, consequent upon the net worth of the Company turning positive, the Hon'ble BIFR vide its Order dated 12th August 2009 deregistered the Company as a Sick Industrial Company and inter alia directed that the unimplemented provisions of the Modified Scheme should be implemented by the concerned agencies.
3. The Company was in negotiations with various parties for transfer of the leasehold rights in the land at Mazgaon.
4. The Board of Directors of the Company at their Meeting held today i.e. 9th May 2011, have accepted the Offer of Gliders Buildcon LLP ("Developer"), an entity of Ajay Piramal Group for development of leasehold land at Mazgaon admeasuring about 30,910 sq. mtrs. (including road set back area of approximately 3622 sq. mtrs.) with FSI of 46669.02 sq. mtrs. on the basis of 1.33, for a consideration of Rs.605,80,00,000/- (Rupees Six Hundred and Five Crores and Eighty Lacs Only). The broad terms and conditions of the Offer which is accepted by the Board are as under:
 - (i) The consideration shall be paid by the Developer simultaneously with the execution of the definitive documents.


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- (ii) The grant of development rights shall be subject to the tenancies / occupancies of approximately 1996.45 sq. mtrs. and subject to obligations of the Developer to reaccomodate 19 erstwhile employees / occupants in accordance with the Development Control Regulations.
- (iii) The Developer shall construct at its cost a spinning unit and give it to the Company for recommencing spinning activity with a capacity of 10000 spindles which is required to be run by the Company in terms of the aforesaid de-reservation Notification dated 10th February 2004 and the BIFR sanctioned Schemes.
- (iv) The stamp duty registration charges and all costs relating to development of the said leasehold land (including payment of any fees and/or premium, if any, for renewal of the lease of the said land admeasuring about 30910 sq. mtrs.) shall be paid by the Developer.
5. The disposal of the said leasehold land is in implementation of the unimplemented provisions of the Modified Scheme approved by Hon'ble BIFR. In view thereof, and also in view of the fact that the provisions of Section 293(1)(a) of the Companies Act 1956 are even otherwise not attracted in respect of the above transaction, consent of the shareholders may not be necessary. However, the Company will seek the consent of the shareholders under Section 293(1)(a) of the Companies Act 1956 for this transaction out of abundant caution by way of Postal Ballot.
6. As mentioned earlier, the Company is required to hand over the said Reserved Area to MCGM for expansion of Veer Jeejamata Udyan. The Company will be entitled to receive non-cash compensation - i.e. Transferable Development Rights (TDRs) for the same. The Company will be able to sell such TDRs in the market.
7. We also send herewith the time schedule for the purpose of passing of Ordinary Resolution seeking approval of shareholders under Section 293(1)(a) by Postal Ballot in accordance with Section 192 A of the Companies Act, 1956 and the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001.
8. Jones Lang Lasalle Meghraj, a reputed real estate consultant have acted as advisors to the Company.

Kindly take a note of the above.

Thanking you,

Yours faithfully,
For MAFATLAL INDUSTRIES LIMITED

Mj
RAMAKANT R. PATEL
Company Secretary



MAFATLAL INDUSTRIES LIMITED

CALENDAR OF EVENTS

Sr. No.	Event	Date
1.	Date of Board Resolution authorizing one of the functional directors and company secretary to be responsible for the entire poll process	09-05-2011
2.	Date of appointment of scrutinizer	09-05-2011
3.	Date on which consent given by the scrutinizer to act as scrutinizer	09-05-2011
4.	Date of dispatch of notice of meeting in which the business as notified by the Central Government will be transacted through postal ballot	13-05-2011
5.	Date of completion of dispatch of notice along with the Postal Ballot	14-05-2011
6.	Last date of receiving Postal Ballot papers by Scrutinizer	15-06-2011
7.	Preparation of Scrutinizer's Report and submission of the same to the Chairman	16-06-2011
8.	Declaration of result of postal ballot	16-06-2011
9.	Date of returning the Ballot papers, register required to be maintained by the scrutinizer under Rule 5 (e) of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 and other related papers to the Chairman by the Scrutinizer	20-06-2011
10.	Date of handing over the ballot papers to the designated authority	20-06-2011
11.	Last Date of signing of the minutes by the Chairman in which the results ballot is recorded	15-07-2011
12.	File the resolution with the Registrar of Companies on or before	15-07-2011

M J
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16/06/2011

✓ To:
The Secretary,
Ahmedabad Stock Exchange Ltd.,
Kamdhenu Complex
Near Panjarapole,
Ahmedabad -380 015.

To:
The Secretary,
Bombay Stock Exchange Ltd.,
P.J. Towers,
Dalal Street,
Mumbai -400 001.

Dear Sir,

Sub: Result of Postal Ballot

Please refer to our letter dated 9th May, 2011 intimating the issue of Postal Ballot Notice for seeking approval of the Shareholders :

-Pursuant Section 293(1)(a) of the Companies Act, 1956 for Development or sale/assignment of leasehold land of the Company admeasuring about 30,910 sq. mtrs. situated at Rambhau Bhogale Marg, Mazgaon, Mumbai 400010 for a consideration of Rs. 605,80,00,000/-to Gliders Buildcon LLP or their affiliates / nominees.

-In the event the said transaction with the said Gliders Buildcon LLP or their affiliates /nominees does not materialize for any reason whatsoever, then the Board of Directors of the Company may sell the said property or grant development rights thereof or otherwise dispose of the same.to any company, body corporate or any other person or entity at such consideration (not being less then Rs 6000000000) and on such terms and conditions as the Board in its discretion deems necessary or expedient in the best interest of the Company.

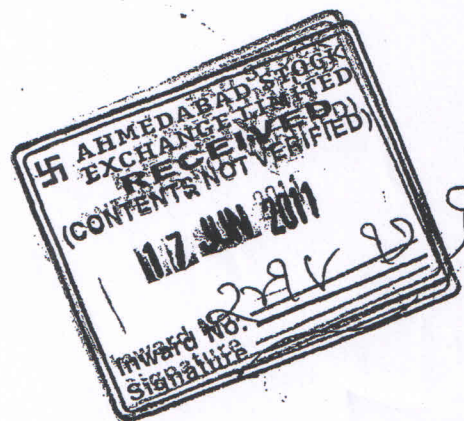
We hereby inform you that Shareholders have approved the Resolution with requisite majority. A copy of the result of the Postal Ballot is enclosed.

Thanking you,

Yours faithfully,
For MAFATLAL INDUSTRIES LIMITED

(M. J.)
(R.R. PATEL)
COMPANY SECRETARY

Encl: As above.
CC to Shri Subhash Mangaonkar, - for information.
MIL, Mumbai



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Sr. No.	Particulars	-Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 for consent of the shareholders for development or sale/assignment of leasehold land of the Company admeasuring about 30,910 sq. mtrs. situated at Rambhau Bhogale Marg, Mazgaon, Mumbai 400010 for a consideration of Rs. 605,80,00,000/-to Gliders Buildcon LLP or their affiliates / nominees. -in the event the said transaction with the said Gliders Buildcon LLP and or their nominees does not materialize for any reason whatsoever, then the Board of Directors of the Company may sell the said property or grant development rights there of or otherwise dispose of the same to any company, body corporate or any other person or entity at such consideration (not being less then Rs 6000000000) and on such terms and conditions as the Board in its discretion deems necessary or expedient in the best interest of the Company.	
		No of Ballot Forms	No. of Shares
a.	Total number of Ballot Forms Received from members voting in person/ representation	4323	6702905
b.	Lees: Invalid Ballot Forms	412	86585
c.	Net Valid Ballot Forms	3911	6616320
d.	Net Valid Ballot Forms of which:		
i)	Ballot Forms with assent for the Resolution	3723	6604304
	% of Assent	95.19%	99.82%
ii)	Ballot Forms with dissent for the Resolution	188	12016
	% of Dissent	4.81%	0.18%

The Resolution has therefore been approved by the shareholders with the requisite majority

Mumbai
Dated: 16th June, 2011

For **MAFATLAL INDUSTRIES LIMITED**

M.A.
(R.R.Patel)

Company Secretary



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17th June, 2011

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Opp. Sahajanand College
Panjara Pole,
Ahmedabad 380 015

The Secretary
Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400001.

Dear Sirs,

We refer to our letter dated 9th May 2011 informing you inter alia about acceptance by the Board of Directors of the Offer of Gliders Buildcon LLP, an entity of Ajay Piramal Group for development of leasehold land at Mazgaon admeasuring about 30910 sq. mtrs., subject to consent of shareholders under Section 293(1)(a) of the Companies Act, 1956 by way of Postal Ballot.

We also refer to our letter dated 16th June 2011 informing you about approval of the transaction by requisite majority of the shareholders pursuant to Section 293(1)(a) of the Companies Act, 1956.

We now wish to inform you that the transaction with Gliders Buildcon LLP has been completed on the terms summarized in our above referred letter dated 9th May 2011.

Thanking you,

Yours faithfully,
For **MAFATLAL INDUSTRIES LIMITED**

M J
Company Secretary



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