

August 2, 2017

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

BSE Code: 500264

Dear Sir,

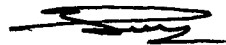
Sub: Passing of Special Resolution for authority to grant Employees Stock Options

We wish to inform you that the Members, at their 103rd Annual General Meeting held on 2nd August, 2017 have passed Special Resolution under section 62 of the Companies Act, 2013 read with provisions of SEBI (Share Based Employee Benefits), Regulation, 2014 granting authority in favour of Board of Directors including Committees thereof to issue Equity Shares under one or more Employee Stock Option Schemes to the eligible Employees and Directors of the Company.

We attached herewith Certified True Copy of the Special Resolution passed by the shareholders in this regard together with the relevant Explanatory Statement for your reference and records.

Thanking you,

Yours faithfully,
For Mafatlal Industries Limited



Ashish A. Karanji
Company Secretary
Encl. – As above





MAFATLAL INDUSTRIES LIMITED

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Corp. Off.: Kaledonia Building, Off. No.3, 6th Floor, Opp. Vijay Nagar Society,
Sahar Road, Off Western Express Highway, Andheri (East), Mumbai 400 069
Tel. : 022 67713800 Fax : 91 22 67713924/25

CIN : L17110GJ1913PLC000035 Website: www.mafatlals.com

CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED 103RD ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY HELD ON WEDNESDAY, THE 2ND AUGUST, 2017 AT 10.00 A.M. AT J. B. AUDITORIUM, AHMEDABAD MANAGEMENT ASSOCIATION, ATIRA CAMPUS, DR. VIKRAM SARABHAI MARG, VASTRAPUR, AHMEDABAD 380 015

“RESOLVED THAT pursuant to the provisions of Section 62(1) (b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules & Regulations made thereunder and in accordance with the Memorandum and Articles of Association of the Company, and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and other applicable provisions including, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and further subject to such other approvals, permissions and sanctions as may be necessary and upon such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the introduction and implementation of Mafatlal Employee Stock Option Scheme 2017 (hereinafter referred to as the “ESOS 2017”) authorising the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to create, and grant from time to time, in one or more tranches, not exceeding 6,95,000 (six lakhs ninety five thousand) Employee Stock Options to or for the benefit of such eligible person(s) who are in permanent employment of the Company, including any Director, whether whole time or otherwise, as may be decided under ESOS 2017, exercisable into not more than 6,95,000 (six lakhs ninety five thousand) equity shares of face value of `10 (Rupees Ten) each fully paid-up, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the proposed ESOS 2017.”

“RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank paripassu with the then existing equity shares of the Company in all respects.”

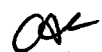
“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, amalgamation, merger, takeover and sale/disposal of division or undertaking and others, if any additional equity shares are to be issued by the Company to the Option grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the ceiling on the number of Options mentioned in the resolution above, shall be deemed to be increased to the extent of such additional equity shares issued.”

“RESOLVED FURTHER THAT in case the equity shares of the Company are split or consolidated (sub-division or consolidation of face value of equity shares), then the number of equity shares to be allotted and the exercise price payable by the option grantees under the ESOS 2017 shall automatically stand augmented or reduced in the same proportion as the present face value of `10 (Rupees Ten) per equity share bears to the revised face value of the equity shares of the Company after such split or consolidation, without affecting any other rights or obligations of the said grantees.”

“RESOLVED FURTHER THAT the Board including designated committee of the Board, if any be and is hereby authorised to take requisite steps for listing of the Equity Shares allotted under ESOS 2017 on the Bombay Stock Exchange (BSE Limited) where the Equity Shares of the Company are listed and traded as well as on other stock exchange/s where the Company proposes to get it's shares listed in due course of time.”



ARVIND MAFATLAL GROUP
The ethics of excellence



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“RESOLVED FURTHER THAT the Company shall conform to the applicable accounting standards/policies/guidelines prescribed, from time to time, under the SEBI Rules & Regulations (including amendments thereto) and other applicable laws and regulations to the extent relevant and applicable to the ESOS 2017.”

“RESOLVED FURTHER THAT the Board including designated committee of the Board, if any, be and is hereby authorized in its absolute discretion at any time to frame & finalise, modify, change, vary, alter, amend, suspend or terminate the ESOS 2017 subject to the compliance with the applicable laws, Rules and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts (including the extension or reduction of vesting and /or exercise timeline of the options already granted or proposed to be granted) that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOS 2017 and do all other things incidental and ancillary thereof.”

“RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and such other Advisors, Consultants, professionals or Representatives, being incidental to the effective implementation and administration of ESOS 2017 as also to make applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.”

CERTIFIED TO BE TRUE

FOR MAFATLAL INDUSTRIES LIMITED


(ASHISH A. KARANJI)
COMPANY SECRETARY



EXPLANATORY STATEMENT

In respect of Item No. 12

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives. Your Company believes in rewarding its employees including Directors of the Company along with employees of the subsidiaries for their continuous hard work, dedication and support, which would lead the Company on the growth path. The Company intends to implement Employee Stock Option Scheme with a view to attract and retain key talents working with the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

With this objective in mind, your Company intends to implement Mafatlal Employee Stock Option Scheme 2017 ("ESOS 2017") for the permanent employees including Directors of the Company.

The Company seeks members' approval in respect of ESOS 2017 for granting of Stock Options to the eligible employees of the Company as decided in this behalf from time to time with due compliance of the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), SEBI (LODR) Regulations, 2015, and Rules & Regulations made thereunder.

The Board of Directors of the Company has, based on the recommendation of the Nomination & Remuneration Committee, at their meeting held on 5th May, 2017 approved ESOS 2017, the salient features of the same are as under:

a) Brief description of the scheme:

The Company proposes to introduce the ESOS 2017 primarily with a view to attract, retain, incentivise and motivate the existing employees of the Company, new employees joining the Company and its Directors that would lead to higher corporate growth. The ESOS 2017 contemplates grant of options to the eligible employees (including Directors), as may be determined in due compliance of applicable laws, rules and regulations including the proposed ESOS 2017. After vesting of options, the eligible employees earn a right (but not obligation) to exercise the vested options within the exercised period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Nomination and Remuneration Committee ("Committee") of the Company shall administer ESOS 2017. All questions of interpretation of the ESOS 2017 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in ESOS 2017.

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b) Total number of Options to be granted:

A total number of options 6,95,000 (six lakhs ninety five thousand) exercisable into 6,95,000 (six lakhs ninety five thousand) Equity Shares would be available for being granted to eligible employees of the Company under ESOS 2017. Each option when exercised would be converted into one Equity share of Rs.10/- each fully paid-up.

Options lapsed or cancelled due to any reason including the reason of lapse of exercise period or due to resignation of the employees/ Directors or otherwise, would be available for being re-granted at a future date. The Committee is authorized to re-grant such lapsed / cancelled options as per the ESOS 2017.

Further, the SEBI Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. In this regard, the Committee shall adjust the number and price of the options granted in such a manner that the total value of the options granted under ESOS 2017 remain the same after any such corporate action. Accordingly, if any additional options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of 6,95,000 (six lakhs ninety five thousand) options shall be deemed to be increased to the extent of such additional options issued.

c) Identification of classes of employees entitled to participate in ESOS 2017

All permanent employees of the Company, including the Directors (whether Executive or Non-Executive) but excluding –

- a. Independent Directors,
- b. promoters or persons belonging to promoter group,
- c. director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company.

d) Requirements of vesting and period of vesting

All the options granted on any date shall vest not earlier than 1 (one) year and not later than a maximum of 4 (four) years from the date of grant of options as may be determined by the Committee.

Options shall vest essentially based on continuation of employment and apart from that the vesting will be subject to Individual performance parameters as the Committee may specify additionally.

e) Maximum period within which the options shall be vested:

All the options granted on any date shall vest not later than a maximum of 4 (four) years from the date of grant of options as may be determined by the Committee.

f) Exercise price or pricing formula:

The exercise price shall be fair market value of share as on date of grant of options (being not less than last closing price at the stock exchange on the previous working day prior to the grant).

g) Exercise period and the process of Exercise:

The Exercise period would commence from the date of vesting and will expire not later than a maximum of 4 (four) years from the date of respective vesting or such other shorter period as may be decided by the Committee from time to time.

The vested Option shall be exercisable by the employees by a written application to the Company expressing their desire to exercise such Options in such manner and on such format as may be prescribed by the Committee from time to time. The Options shall lapse if not exercised within the specified exercise period.

h) Appraisal process for determining the eligibility of employees under ESOS 2017:

The appraisal process for determining the eligibility shall be decided from time to time by the Board/Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, etc. as may be decided by the Board/ Committee in its absolute discretion.



i) Maximum number of Options to be issued per employee and in aggregate:

The number of options that may be granted to any specific employee of the Company under the ESOS 2017, in any financial year and in aggregate under the ESOS 2017 shall not exceed one percent of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant of options.

j) Maximum quantum of benefits to be provided per employee under the ESOS 2017:

The maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the market price of the shares as on the date of exercise of options. However in no case exceeding the then existing 1% of the issued share capital of the Company.

k) Route of ESOS 2017 implementation:

The ESOS 2017 shall be implemented and administered directly by the Company. In case Company wishes otherwise, it may be intimated to the members in due course as per applicable laws.

l) Source of acquisition of shares under the ESOS 2017:

The ESOS 2017 contemplates fresh/new issue of shares by the Company.

m) Amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc:

This is currently not contemplated under the present ESOS 2017.

n) Maximum percentage of secondary acquisition:

This is not relevant under the present ESOS 2017.

o) Accounting and Disclosure Policies:

The Company shall follow the IND AS/Guidance Note on Accounting for Employee Share-based Payments and/or any relevant Accounting Standards as may be prescribed by the competent authorities from time to time, including the disclosure requirements prescribed therein.

p) Method of option valuation:

The Company shall adopt 'Fair value method' for valuation Options as prescribed under applicable Guidance Note or under any relevant accounting standard notified by appropriate authorities from time to time.



q) Declaration:

In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options and the impact of this difference on profits and on Earning Per Share ("EPS") of the company shall also be disclosed in the Directors' report.

The equity shares of the Company, so issued under ESOS 2017 shall be listed at the stock exchange/s where the existing shares are listed and traded in conformity with the applicable provisions of law for the time being in force and the SEBI Rules, Regulations and Guidelines.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent of the entitlements, if any, granted in due course under the ESOS 2017.

CERTIFIED TO BE TRUE

FOR MAFATLAL INDUSTRIES LIMITED


(ASHISH A. KARANJI)
COMPANY SECRETARY

