



VARDHMAN INDUSTRIES LIMITED

(Govt. of India Recognised Two Star Export House)

Administrative Office : G.T. Road, Sahnewal, Ludhiana- 141 120 (INDIA)

Phones: +91-161-2511412, 2511413, Fax : +91-161-2511414

E-mail: vardhman@vallabhgroup.com CIN: L74899DL1984PLC019492

Ref: VIL: BSE: 2019-20

December 14, 2019

DGM-Dept. of Corporate Services

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street,

Fort, Mumbai – 400001

Scribe Code 513534

Sub:- Intimation pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended (“LODR Regulations”)

Dear Sir

We refer to our earlier intimation dated December 12, 2019. We now hereby inform you that the National Company Law Tribunal (Principal Bench, New Delhi) (**NCLT**), had vide its order dated 19.12.2018 (**NCLT Order**), approved the resolution plan submitted by JSW Steel Limited (**Resolution Plan**) as approved by the Committee of Creditors (“**CoC**”) for acquiring Vardhman Industries Limited (**Company**), a company undergoing the Corporate Insolvency Resolution Process (**CIRP**) pursuant to the provisions of the Insolvency and Bankruptcy Code, 2016 and the regulations made thereunder (**IBC**). However, the NCLT Order had made certain modifications to the Resolution Plan as approved by the CoC. Thereafter JSW Steel Limited (“**JSW**”) filed an application with the Hon’ble NCLT seeking certain clarification in relation to the said modifications made in the NCLT Order. The NCLT by its order dated April 16, 2019 (**NCLT Clarification Order**) issued certain clarifications in relation to the NCLT Order and made further modifications to the Resolution Plan (the NCLT order and the NCLT Clarification Order are collectively referred to as the “**NCLT Orders**”). JSW filed an appeal with the Hon’ble National Company Law Appellate Tribunal (**NCLAT**) challenging the modifications made by the NCLT to the Resolution Plan by the NCLT Orders. The Hon’ble NCLAT by its order dated December 2, 2019 (**NCLAT Order**) allowed the said appeal but did not issue any specific orders in relation to certain clarifications sought by JSW. JSW filed an application with the NCLAT seeking certain clarifications to the NCLAT Order. The Hon’ble NCLAT was pleased to allow the said application by its order dated December 11, 2019 (**NCLAT Clarification Order**) and clarified that the date of approval of the Resolution Plan for the purposes of the implementation of the Resolution Plan shall be the date of issuance of the NCLAT Clarification Order i.e. December 13, 2019.

The said Resolution Plan, as approved by the NCLT and the NCLAT, is binding on the Company, employees, members, creditors, guarantors and other stakeholders involved, as per the provisions of the IBC. In terms of the Resolution Plan. JSW Steel Limited shall implement the Resolution Plan.



Registered Office: Flat No.-1309, 13th Floor, Vikram Tower, Rajendra Place, New Delhi-110 008 (India).

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As per the terms of approved Resolution Plan, JSW shall, infuse its commitment of INR 63.5 crores in the Company through equity shares and/or debt (**Capital Infusion**) within a period of 30 days from date of issuance of the NCLAT Clarification Order or such other earlier date as intimated by the Company to the Monitoring Committee and announcement on the stock exchanges (**Effective Date**). The financial creditors of the Company shall receive a total consideration of INR 62.5 crores and the operational creditors of the Company shall receive an aggregate consideration of Rs. 1 crore for the settlement of the existing debt of the Company.

During the interim period i.e. from the date of the NCLAT Clarification Order till the Effective Date, the Company will continue to be managed and controlled by the Resolution Professional under the guidance of a monitoring committee (the "**Monitoring Committee**"), comprising of 1 representative of Approving Financial Creditor, the Resolution Professional and 1 representative of the Resolution Applicant. The existing board of the Company shall stand vacated and be replaced by the members nominated by the JSW with effect from the date of issuance of the NCLAT Clarification Order.

As per the Resolution Plan, the Company shall be delisted in accordance with the Regulation 3(3)(a) of the SEBI (Delisting of Equity Shares) Regulations, 2009 (as amended from time to time) and as per the specific procedure laid down under the Resolution Plan.

Since the liquidation value payable to the existing shareholders of Company as determined under regulation 35 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 after paying off dues in the order of priority as defined under section 53 of the Insolvency and Bankruptcy Code, 2016 is nil the entire existing shareholding of the Company shall stand reduced to nil by way of a capital reduction with effect from the Effective Date. Intimation is hereby provided to the stock exchange to suspend trading of the equity shares of the Company.

As per the approved Resolution Plan, JSW shall be classified as the 'promoter' of the Company, and the existing promoters / promoter group shall be de-classified as 'promoters / promoter group' of the Company. Also with effect from the date of NCLAT Clarification Order, VIL shall stand declassified as 'promoter' / 'part of promoter group' of any company or entity, including any subsidiaries or joint ventures or Associate Companies (other than JVTPL) in which VIL has made any investment and reclassified as 'public shareholders' of such companies.

This is for your information and records.

Thanking You,

Yours Faithfully,
For Vardhman Industries Limited

Company Secretary



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