



Ref. VTXL:SCY: AUG: 2019-20

Dated: 14-Aug-2019

The Deputy General Manager, Corporate Relationship Deptt, Bombay Stock Exchange Limited, 1 st Floor, New Trading Ring, Rotunda Building, P.J Towers, Dalal Street, Fort, MUMBAI-400001. Scrip Code: 502986	The National Stock Exchange of India Ltd, “Exchange Plaza, Bandra-Kurla Complex, Bandra (East), MUMBAI-400 051 Scrip Code: VTL
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Subject: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulation”) read with the circular issued by the Securities and Exchange Board of India (“SEBI”) dated September 9, 2015, bearing reference no. CIR/CFD/CMD/4/2015 (“SEBI Circular”)

Respected Sir,

Pursuant to Regulation 30 of the Listing Regulations, we are pleased to inform you that the board of directors of Vardhman Textiles Limited (“**Company**”), at its meeting held on August 13, 2019, considered and approved the scheme of arrangement amongst VMT Spinning Company Limited (“**Transferor Company 1**”), VTL Investments Limited (“**Transferor Company 2**”), Vardhman Nisshinbo Garments Company Limited (“**Transferor Company 3**”), Vardhman Acrylics Limited (“**Transferor Company 4**”) (collectively referred to as the, “**Transferor Companies**”), and the Company, and their respective shareholders and creditors, in relation to the merger of the Transferor Companies with and into the Company (“**Scheme**”).

The Scheme is subject to the necessary approvals from the shareholders and creditors of the Transferor Companies and the Company and other statutory and regulatory approvals under applicable laws, including the approval from the National Company Law Tribunal, Chandigarh Bench (‘**NCLT**’) and approvals from the BSE Limited, the National Stock Exchange of India Limited and the SEBI in accordance with the Listing Regulations and SEBI circular number CFD/DIL3/CIR/2017/21 dated March 10, 2017, read with the SEBI circular number CFD/DIL3/CIR/2017/26 dated March 23, 2017, the SEBI circular number CFD/DIL3/CIR/2017/105 dated September 21, 2017 and the SEBI circular number CFD/DIL3/CIR/2018/2 dated January 3, 2018.





Vardhmān

VARDHMAN TEXTILES LIMITED


Delivering Excellence. Since 1965.

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As required under Regulation 30 of the Listing Regulations read with the SEBI Circular, please find enclosed herewith the brief details of the Scheme in Annexure A.

Kindly take note of the same on your records.

Yours respectfully,
For Vardhman Textiles Limited


Sanjay Gupta
Company Secretary
Enclosed: as above.



YARNS | FABRICS | THREADS | GARMENTS | FIBRES | STEELS

PAN NO.: AABCM4692E CIN: L17111PB1973PLC003345
WWW.VARDHMAN.COM



Disclosure under Regulation 30 of the Listing Regulations read with the SEBI Circular, in relation to the Scheme.

Sr. No.	Particulars	Description												
1.	Name of the entities forming part of the amalgamation/merger, details in brief such as size, turnover etc.	<p>Name of the Company: Vardhman Textiles Limited, being the transferee company.</p> <p>Name of the Transferor Companies:</p> <p>(i) VMT Spinning Company Limited (wholly owned subsidiary of the Company);</p> <p>(ii) VTL Investments Limited (wholly owned subsidiary of the Company);</p> <p>(iii) Vardhman Nisshinbo Garments Company Limited (wholly owned subsidiary of the Company); and</p> <p>(iv) Vardhman Acrylics Limited (a subsidiary of the Company).</p> <p>Turnover (Income from Operations): The total turnover (Income from Operations), for financial year 2018-19, of the Transferor Companies and the Company is:</p> <p style="text-align: right;">(Rs. in crores)</p> <table border="1"> <thead> <tr> <th>S.No.</th> <th>Name of the company</th> <th>Turnover (Income from Operations)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Transferor Company 1</td> <td>232.89</td> </tr> <tr> <td>2.</td> <td>Transferor Company 2</td> <td>5.88</td> </tr> <tr> <td>3.</td> <td>Transferor Company 3</td> <td>72.55</td> </tr> </tbody> </table>	S.No.	Name of the company	Turnover (Income from Operations)	1.	Transferor Company 1	232.89	2.	Transferor Company 2	5.88	3.	Transferor Company 3	72.55
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2.	Whether it is a related party transaction? If yes, whether it is done at “arms length”.	The Transferor Companies are subsidiaries of the Company. The Scheme will be implemented on an arm’s length basis.																								
3.	Area of business of the entity/entities	<p>The Transferor Companies, and the Company are engaged in the following business activities:</p> <table border="1"> <thead> <tr> <th>S.No.</th> <th>Name of the company</th> <th>Type of business</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Transferor Company 1</td> <td>Manufacture of Cotton and Blended Yarn.</td> </tr> <tr> <td>2.</td> <td>Transferor Company 2</td> <td>Non-banking financial company registered with</td> </tr> </tbody> </table>	S.No.	Name of the company	Type of business	1.	Transferor Company 1	Manufacture of Cotton and Blended Yarn.	2.	Transferor Company 2	Non-banking financial company registered with															
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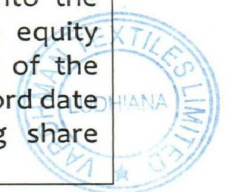


			the Reserve Bank of India
		3.	Transferor Company 3 Manufacture of and sale of garments (primarily shirts)
		4.	Transferor Company 4 Manufacture of acrylic fibre
		5.	Company Manufacture of cotton yarn, synthetic yarn and woven fabrics
4.	Rationale amalgamation/merger	for	<p>The management of each of the Transferor Companies and the Company believe that the business existing in the Transferor Companies should be consolidated with the Transferee Company for the following primary reasons:</p> <p>(i) The amalgamation of the Transferor Companies with and into the Company will enable consolidation of the business and operations of the Transferor Companies into the Company, which complement the business of the Company and which will provide substantial impetus to growth, enable synergies, reduce operational costs, increase operational efficiencies and enable optimal utilization of various resources as a result of pooling of financial, managerial and technical resources, and technologies of both the Transferor Companies and the Company, thereby significantly contributing to business efficiency,</p>





		<p>future growth and maximizing shareholder value.</p> <p>(ii) The amalgamation of the Transferor Companies with and into the Company will lead to the integration of complementing businesses in one entity, the Company.</p> <p>(iii) Since the Transferor Company 1, Transferor Company 2 and Transferor Company 3 are wholly-owned subsidiaries of the Transferee Company, the merger of the aforementioned companies with and into the Company is likely to create more value for their respective stakeholders and shareholders, eliminate multiple companies in similar businesses and improve efficiencies of the consolidated business.</p> <p>(iv) The amalgamation of the Transferor Companies with and into the Company will lead to elimination of inter-company transactions and balances between the Transferor Companies and the Company and the consolidation of the fibre, fabric and garment businesses in one entity.</p>
5.	In case of cash consideration (amount) or otherwise share exchange ratio	Pursuant to the amalgamation of the Transferor Company 4 with and into the Company, the Company will issue equity shares to the equity shareholders of the Transferor Company 4 as on the record date in accordance with the following share entitlement ratio:





		<p>1 fully paid up equity share of the face value of INR 10 (Indian Rupees Ten only) of the Company for every 24.1 fully paid up equity shares of the face value of INR 10 (Indian Rupees Ten only) each held in the Transferor Company 4.</p>
6.	Details of change in shareholding pattern (if any) of listed entity	<p>(i) Upon the Scheme coming into effect, the Company shall issue and allot to every equity shareholder of the Transferor Company 4 as on the record date, the requisite number of equity shares in the Company in accordance with the share entitlement ratio as set out above.</p> <p>(ii) Upon the Scheme coming into effect and upon the dissolution of the Transferor Company 2, the shares held by the Transferor Company 2 in the Company, as on the record date shall automatically stand cancelled.</p>

