



Vardhman

Delivering Excellence. Since 1965.

VARDHMAN TEXTILES LIMITED

CHANDIGARH ROAD
LUDHIANA-141010, PUNJAB
T: +91-161-2228943-48
F: +91-161-2601 048
E: secretarial.lud@vardhman.com

Ref. VTXL:SCY:MAY: 2020-21

DATED: 27.05.2020

National Stock Exchange of India Limited

Exchange Plaza,
Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051.
Scrip Code: VTL

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.
Scrip Code: 502986

Dear Sir/Madam,

Subject: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. –

Pursuant to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable provisions, if any, we would like to inform you that the Board of Directors (**“Board”**) of Vardhman Textiles Limited (**“VTL”** or **“Company”**) in its meeting held on 27th May, 2020 has approved, subject to necessary statutory and regulatory approvals under applicable laws, including approval of the National Company Law Tribunal(s) (**“NCLT”**), a Scheme of Amalgamation among VMT Spinning Company Limited (**“Transferor Company 1”**) and Vardhman Nisshinbo Garments Company Limited (**“Transferor Company 2”**) (**“Transferor Company 1 and Transferor Company 2 together referred to as the ‘Transferor Companies’**) with and into the Vardhman Textiles Limited (**“Transferee Company”**) and their respective shareholders and creditors under Section 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as **“Scheme”**).

As the proposed Scheme provide for merger of wholly owned subsidiaries (i.e. Transferor Companies) with the Holding Company (i.e. Transferee Company), the provision of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 shall not be applicable.

Please find attached herewith ‘Annexure 1’ containing details as per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Securities and Exchange Board of India Circular No. CIR/CFD/CMD/4/2015 dated 9th September 2015.

You are requested to kindly take note of the same on your records.

Thanking you,
For Vardhman Textiles Limited


Sanjay Gupta
Company Secretary



YARNS | FABRICS | THREADS | GARMENTS | FIBRES | STEELS

PAN NO.: AABCM4692E CIN: L17111PB1973PLC003345

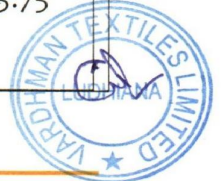
WWW.VARDHMAN.COM



ANNEXURE 1

Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with clause 1.2. of Annexure I of the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015

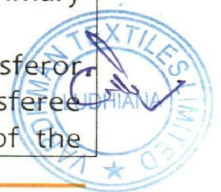
S.No.	Particulars	Details													
a)	Name of the entity(ies) forming part of the Amalgamation, details in brief such as, size, turnover etc:	<p>The Scheme of Amalgamation provides for amalgamation of VMT Spinning Company Limited ('Transferor Company 1') and Vardhman Nisshinbo Garments Company Limited ('Transferor Company 2') ('Transferor Company 1 and Transferor Company 2 together referred to as the 'Transferor Companies') with and into the Vardhman Textiles Limited ('Transferee Company') pursuant to the provisions of Sections 230 – 232 and other relevant provisions of the Act and the relevant provisions of this Scheme.</p> <p>The Transferor Companies are wholly-owned subsidiaries of the Transferee Company. Brief details of the entities forming part of amalgamation are as follows:</p> <p style="text-align: right;">(INR Crore)</p> <table border="1"> <thead> <tr> <th>S.No.</th> <th>Parties to the Scheme</th> <th>Turnover (Income from Operations) as on 31-Dec-19</th> <th>Net worth as on 31-Dec-19</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>VMT Spinning Company Limited</td> <td>168.88</td> <td>131.51</td> </tr> <tr> <td>2</td> <td>Vardhman Nisshinbo Garments Company Limited</td> <td>40.82</td> <td>5.75</td> </tr> </tbody> </table>		S.No.	Parties to the Scheme	Turnover (Income from Operations) as on 31-Dec-19	Net worth as on 31-Dec-19	1	VMT Spinning Company Limited	168.88	131.51	2	Vardhman Nisshinbo Garments Company Limited	40.82	5.75
S.No.	Parties to the Scheme	Turnover (Income from Operations) as on 31-Dec-19	Net worth as on 31-Dec-19												
1	VMT Spinning Company Limited	168.88	131.51												
2	Vardhman Nisshinbo Garments Company Limited	40.82	5.75												





		3	Vardhman Textiles Limited	4,833.98	5,537.33
b)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";	The Transferor Companies are wholly owned subsidiaries of the Transferee Company. The proposed Scheme of Amalgamation does not fall within the purview of related party transaction in lieu of general circular no. 30/2014 dated 17.07.2014 issued by Ministry of Corporate Affairs since the same is subject to the sanction of National Company Law Tribunal. Further, pursuant to Regulation 23(5)(b) of SEBI (LODR) Regulation, the related party provisions are not applicable to the proposed Scheme of Amalgamation.			
c)	Area of business of the entity(ies):	<p>i. VMT Spinning Company Limited: The Transferor Company 1 is engaged in the business of manufacturing cotton and blended yarn. The Transferor Company 1 is a wholly owned subsidiary of the Transferee Company.</p> <p>ii. Vardhman Nisshinbo Garments Company Limited: The Transferor Company 2 is engaged in the business of manufacturing and sale of garments (mainly shirts). The Transferor Company 2 is a wholly owned subsidiary of the Transferee Company.</p> <p>iii. Vardhman Textiles Limited: The Transferee Company is a textile company which is engaged in the business of manufacturing yarn and woven fabrics.</p>			
d)	Rationale for the Proposed Scheme:	<p>The management of each of the Transferor Companies and the Transferee Company believe that the business conducted by 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 Transferee Company will enable consolidation of the</p>			

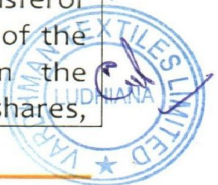
YARNS | FABRICS | THREADS | GARMENTS | FIBRES | STEELS





		<p>business and operations of the Transferor Companies into the Transferee Company, which complement the business of the Transferee 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 Transferee Company, thereby significantly contributing to business efficiency, future growth and maximizing shareholder value.</p> <p>ii. The amalgamation of the Transferor Companies with and into the Transferee Company will lead to the integration of complementing businesses in one entity, the Transferee Company.</p> <p>iii. Since the Transferor Company 1 and Transferor Company 2 are wholly-owned subsidiaries of the Transferee Company, the merger of the aforementioned companies with and into the Transferee 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 Transferee Company will lead to elimination of inter-company transactions and balances between the Transferor Companies and the Transferee Company and the consolidation of the yarn, fabric and garment businesses in one entity.</p>
e)	<p>In case of cash consideration – amount or otherwise share exchange ratio:</p>	<p>The Transferor Company 1 and the Transferor Company 2 are wholly owned subsidiaries of the Transferee Company. Accordingly, upon the Scheme becoming effective, all the equity shares,</p>

YARNS | FABRICS | THREADS | GARMENTS | FIBRES | STEELS





		<p>as held by the Transferee Company in the Transferor Company 1 and Transferor Company 2, either by itself or through its nominees, shall stand cancelled and extinguished. Therefore, there will be no issue and allotment of shares as consideration by the Transferee Company upon the Scheme coming into effect as the Transferee Company cannot issue shares of the Transferee Company to itself.</p> <p>The investments in the shares of the Transferor Companies, appearing in the books of account of Transferee Company shall, without any further act or deed, stand cancelled. Consequently, no valuation report is required for the Scheme.</p>
f)	Brief details of change in shareholding pattern (if any) of listed entity:	There will be no change in shareholding pattern of the Transferee Company pursuant to the Scheme becoming effective as no shares are being issued by the Transferee Company in connection with the Scheme.

For Vardhman Textiles Limited


Sanjay Gupta
Company Secretary

