

CIN: L17111TZ1989PLC005902
CTL/SE/04/2014

14th April, 2014

The Asst. Vice President,
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
MUMBAI - 400 051
Fax :No. 022 - 26598120

BSE Limited,
Corporate Relationship Department,
P J Towers
Dalal Street
MUMBAI - 400 001
Fax No. 022 - 22723121

Scrip code : 521056

Scrip code : CHESLINTEX

Dear Sirs,

Information under Clause 36 of the Listing Agreement

Dear Sirs,

This has reference to our letter dated 7th April, 2014, regarding intimation of the board meeting of the Company, i.e., Cheslind Textiles Limited scheduled, *inter-alia*, to consider and approve Scheme of Amalgamation of Cheslind Textiles Limited (CTL) with RSWM Limited ("RSWM") ("hereinafter referred to as Scheme").

In accordance with the provisions of the Listing Agreement, we would like to inform you that the Board of Directors of CTL ("Board") met today and considered and approved the amalgamation of CTL with RSWM, in terms of the Scheme under the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and the applicable provisions of the Companies Act, 2013, as and when they come in force.

The Scheme is approved by the Board subject to the requisite approvals of the shareholders and/ or creditors of CTL and the Board, shareholders and/or creditors of RSWM and as may be directed by the Hon'ble Madras High Court at Chennai and High Court of Rajasthan at Jodhpur and subject to further to all such requisite approvals as may be required from the relevant regulatory authorities.

The salient features of the Scheme are as follows:

1. The Appointed Date of the Scheme would be April 1, 2013 or such other date as Hon'ble High Courts may direct or approve;



Cheslind Textiles Limited
(A Subsidiary of RSWM Ltd.)

Bangalore Office :
No.147, 12th Main, 3rd Block,
Koramangala, Bangalore - 560 034, India
Tel. : +91-80-25538622, Fax : +91-80-25538559
E-mail : cheslind@vsnl.com
Website : www.cheslind.co.in

Regd. Office & Factory :
B. Muduganapalli, Bagalur - 635 103
Hosur Taluk, Krishnagiri Distt., Tamil Nadu, India
Tel. : +91-4344-254184, 254187
Fax : +91-4344-254276
E-mail : cheslind@cheslind.com

Corporate Office : (LNJ Bhilwara Group)
Bhilwara Towers, A-12, Sector-1
Noida - 201 301 (NCR-Delhi), India
Tel. : +91-120-4390300, 2541810 (EPABX)
Fax : +91-120-2531648, 2531745
Website : www.rswm.in

2. All assets and liabilities of CTL will be transferred to and vested in RSWM;
3. Upon coming into effect of the Scheme and in consideration for the transfer and vesting of CTL in RSWM, RSWM shall, without any further application or deed, issue and allot Optionally Convertible Redeemable Preference Shares, credited as fully paid up, to the members of CTL whose name appears in the Register of Members of CTL as on the Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, in the ratio of :

"1 (One) Optionally Convertible Redeemable Preference Share of nominal value of Rs. 7.50 (Rupee Seven and Fifty Paise) at par of RSWM and credited as fully paid up for every 1 (One) Equity Share of nominal value of Rs. 10/- (Rupees Ten) each fully paid up held in CTL upon the following terms"

Dividend rate	12% p.a. on the paid up value per share of Rs. 7.50/-
Accumulation of dividend	Cumulative
Exchange Ratio	1 (One) Optionally Convertible Redeemable Preference Share of nominal value of Rs. 7.50 (Rupee Seven and Fifty Paise) at par of RSWM and credited as fully paid up for every 1 (One) Equity Share of nominal value of Rs. 10/- (Rupees Ten) each fully paid up held in CTL.
Payment of dividend	The Preference Shares will qualify for preferential payment of dividend at the rate set out above from the Record Date upto the date of redemption or conversion.
Tenure	5 years from the Appointed Date
Listing	The Preference Shares will, subject to the applicable laws and regulations, be listed and/or admitted to trading on the relevant stock exchange(s), where the existing shares of RSWM are listed and/or admitted to trading.



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Convertibility and Conversion Price Ratio	The said Preference Shares will carry the right and option to apply for conversion of the said Preference Shares into the equity shares of RSWM in the ratio 1 (one) Equity Share of Rs. 10/- (Rupees Ten) each at par of RSWM credited as fully paid up for every 22 (Twenty two) Optionally Convertible Cumulative Redeemable Preference Shares of Rs. 7.50/- (Rupees Seven and Fifty paise) each to be issued and allotted by RSWM. The said right must be exercised by the eligible Preference Shareholder before the expiry of 6 months from the date of allotment of such Preference Shares failing which the right shall lapse. No coupons shall be issued by RSWM towards any fractional entitlement and all fractional entitlements, if any shall be ignored.
Redemption Terms	RSWM shall have an option to redeem by giving not less than 3 months notice to all the outstanding Preference Shares (i.e., such Preference Shares for which the option to convert into equity shares has not been exercised, as mentioned above) at par any time after the expiry of the conversion option period and before the expiry of 5 years from the Allotment Date.

4. The above terms including the Exchange Ratio and the Conversion Price Ratio, as mentioned in the Scheme, has been determined by the Board of the CTL on the basis of the Valuation Report by independent valuer, M/s S.S. Kothari Mehta & Co., Chartered Accountants and the Fairness opinion by M/s D & A Financial Services Private Limited, a SEBI Registered Merchant Banker.

This is for your information and records.

Thanking you,

Yours faithfully,

For CHESLIND TEXTILES LIMITED

Pratibha Sanghi
Pratibha Sanghi
Company Secretary

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