Vardhmān

Delivering Excellence. Since 1965.

VARDHMAN ACRYLICS LIMITED

CHANDIGARH ROAD
LUDHIANA-141010, PUNJAB
T: +91-161-2228943-48
F: +91-0161-2601048, 2220766
E: secretarial.lud@vardhman.com

Dated: Aug 9, 2019

The National Stock Exchange of India Limited,
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East),
Mumbai – 400051

Scrip Code: VARDHACRLC

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 Acrylics Limited ("**Company**"), at its meeting held on August 9, 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**"), the Company (collectively referred to as the, "**Transferor Companies**"), and Vardhman Textiles Limited ("**Transferee Company**") and their respective shareholders and creditors, in relation to the merger of the Transferor Companies, including the Company, with and into the Transferee Company ("**Scheme**").

The Scheme is subject to the necessary approvals from the board of directors of the Transferee Company, the shareholders and creditors of the Transferor Companies and the Transferee 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.

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 Acrylics Limited**

Satin Katyal
Company Secretary
Enclosed: as above.

VARDHMAN ACRYLICS LIMITED * LUDHIANA *

Vardhmān

Delivering Excellence. Since 1965.

VARDHMAN ACRYLICS LIMITED

CHANDIGARH ROAD
LUDHIANA-141010, PUNJAB
T: +91-161-2228943-48
F: +91-0161-2601048, 2220766
E: secretarial.lud@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.	**Name of Transferee Company:** Vardhman Textiles Limited, which presently has its equity shares listed on the National Stock Exchange of India Limited and the BSE Limited. **Name of the Transferor Companies (including the Company):** (i) VMT Spinning Company Limited (wholly owned subsidiary of the Transferee Company); (ii) VTL Investments Limited (wholly owned subsidiary of the Transferee Company); (iii) Vardhman Nisshinbo Garments Company Limited (wholly owned subsidiary of the Transferee Company); and (iv) Vardhman Acrylics Limited, being the Company, which presently has its equity shares listed on the National Stock Exchange of India Limited (a subsidiary of the Transferee Company). **Turnover (Income from Operations):** The total turnover (Income from Operations), for financial year 2018-19, of the Transferor Companies and the Transferee Company is: **(Rs. in crores)**

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
4.	Company	391.96
5.	Transferee Company	6414.58

VARDHMAN ACRYLICS LIMITED LUDHIANA

CHANDIGARH ROAD
LUDHIANA-141010, PUNJAB
T: +91-161-2228943-48
F: +91-0161-2601048, 2220766
E: secretarial.lud@vardhman.com

<table>
<tr><td></td><td></td><td>

Size: The Net Worth, for financial year 2018-19, of the Transferor Companies and the Transferee Company is:

(Rs. in crores)

S.No.	Name of the company	Net worth
1.	Transferor Company 1	124.77
2.	Transferor Company 2	53.24
3.	Transferor Company 3	6.98
4.	Company	333.66
5.	Transferee Company	5239.10

</td></tr>
<tr><td>2.</td><td>Whether it is a related party transaction? If yes, whether it is done at "arms length".</td><td>The Transferor Companies are subsidiaries of the Transferee Company. The Scheme will be implemented on an arm's length basis.</td></tr>
<tr><td>3.</td><td>Area of business of the entity/entities</td><td>

The Transferor Companies, and the Transferee Company are engaged in the following business activities:

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 the Reserve Bank of India
3.	Transferor Company 3	Manufacture of and sale of garments (primarily shirts)
4.	Company	Manufacture of acrylic fibre
5.	Transferee Company	Manufacture of cotton yarn, synthetic yarn and woven fabrics

</td></tr>
</table>

VARDHMAN ACRYLICS LIMITED LUDHIANA

CHANDIGARH ROAD
LUDHIANA-141010, PUNJAB
T: +91-161-2228943-48
F: +91-0161-2601048, 2220766
E: secretarial.lud@vardhman.com

4.	Rationale for amalgamation/merger	The management of each of the Transferor Companies and the Transferee Company believe that the business existing in the Transferor Companies should be consolidated with the Transferee Company for the following primary reasons: (i) The amalgamation of the Transferor Companies with and into the Transferee Company will enable consolidation of the 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. (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. (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 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

CHANDIGARH ROAD
LUDHIANA-141010, PUNJAB
T: +91-161-2228943-48
F: +91-0161-2601048, 2220766
E: secretarial.lud@vardhman.com

		business. (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 fibre, fabric and garment businesses in one entity.
5.	In case of cash consideration (amount) or otherwise share exchange ratio	Pursuant to the amalgamation of the Company with and into the Transferee Company, the Transferee Company will issue equity shares to the equity shareholders of the Company as on the record date in accordance with the following share entitlement ratio: *1 fully paid up equity share of the face value of INR 10 (Indian Rupees Ten only) of the Transferee 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 Company.* The abovementioned share entitlement ratio is subject to the approval of the board of directors of the Transferee Company.
6.	Details of change in shareholding pattern (if any) of listed entity	Upon the Scheme coming into effect, the Company shall, stand dissolved without winding up. In addition, the Transferee Company shall, allot to every equity shareholder of the Company as on the record date, the requisite number of equity shares in the Transferee Company in accordance with the share entitlement ratio as set out above.

VARDHMAN ACRYLICS LIMITED LUDHIANA