

Date: 05th May, 2023

BSE Limited Corporate Relationship Department, P J Towers, Dalal Street, Fort, Mumbai – 400 001 corp.relations@bseindia.com Scrip Code: 541700	The National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai-400051 cmllist@nse.co.in Symbol: TCNSBRANDS
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Dear Sir/ Madam,

Subject: Intimation of the Outcome of the Meeting of the Board of Directors of TCNS Clothing Co. Limited (“Company/Transferor Company”) held on 05th May, 2023.

Ref: Disclosure pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

Dear Sir,

Pursuant to Regulation 30 read with Schedule III Part A of the Listing Regulations, with respect to the Scheme (*as defined hereinafter*) and entering into a Merger Implementation Agreement (*as defined hereinafter*), we wish to inform you that, on the recommendations of the Audit Committee of the Board and the Committee of Independent Directors of the Company, the Board of Directors of the Company at its meeting held on 05th May, 2023, has considered and approved:

- (i) The scheme of amalgamation by way of merger (by absorption) of the Transferor Company into Aditya Birla Fashion and Retail Limited (“**Transferee Company**”) (“**Scheme/ Amalgamation**”) as per the provisions of section 230-232 and other applicable provisions of the Companies Act, 2013 (“**Act**”), the Listing Regulations and in terms of SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 (“**SEBI Circular**”), details of which are provided in **Part A** below; and
- (ii) Execution of an agreement between the Transferor Company and the Transferee Company setting out the manner of effecting the transactions envisaged in the Scheme and the rights and obligations of the parties in relation thereto (“**Merger Implementation Agreement/ MIA**”), details of which are provided in **Part B** below.

Part A

The Scheme, *inter alia* provides for the following:

1. The amalgamation of the Transferor Company into the Transferee Company, by way of merger by absorption and dissolution of the Transferor Company without winding up and the consequent issuance of the Merger Consideration Shares (*as defined under the Scheme*) in accordance with the Share Exchange Ratio (*as defined under the Scheme*) on the basis of the Valuation Report (*as defined under the Scheme*) to the Eligible Shareholders (*as defined under the Scheme*), in respect of each equity share of the Transferor Company held by them in accordance with the Scheme;
2. The Appointed Date shall mean the Effective Date or such other date as may be approved by the Tribunals. The coming into effect of the Scheme is conditional upon and subject to:
 - (i) the Competition Commission of India (“**CCI**”) (or any appellate authority in India having appropriate jurisdiction) having, by the Long Stop Date (*as defined under the Scheme*), either:
 - (a) granted approval to the Scheme; or



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- (b) been deemed to have granted approval to the Scheme through the expiration of time periods available for their investigation;
 - (ii) acquisition of 51% (fifty-one percent) of the Expanded Share Capital (*as defined under the Scheme*) of the Transferor Company by the Transferee Company, pursuant to the open offer by the Transferee Company and the underlying transactions thereto, on or prior to the Long Stop Date;
 - (iii) the Stock Exchanges having issued their observation / no-objection letters as required under the Listing Regulations read with the SEBI Circular and the circular number SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/000000103 dated July 29, 2022 issued by SEBI;
 - (iv) the Scheme being approved by the respective requisite majorities of the various classes of members (passed through postal ballot / e-voting, as applicable) and creditors (where applicable) of the Transferor Company and the Transferee Company, as required under the Act and the SEBI Circular, subject to any dispensation of holding and convening meetings of members and creditors, that may be granted by the Tribunals;
 - (v) the approval of the Scheme by the public shareholders of the Transferor Company in accordance with Para A.10 (a) and (b) of Part I of the SEBI Circular provided that the same shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the votes by the public shareholders against it;
 - (vi) such other conditions as may be mutually agreed between the Transferor Company and the Transferee Company;
 - (vii) grant of sanction orders under the provisions of Sections 230 to 232 of the Act and receipt of certified copies of the sanction orders; and
 - (viii) there not being any Governmental Order from any Governmental Authority (other than a competition and / or anti-trust authority) that has the effect of making the Amalgamation illegal or otherwise restraining or preventing its consummation.
3. The Scheme shall not come into effect unless the aforementioned conditions are satisfied (or to the extent permissible under Applicable Law, waived by the Transferee Company) and in such an event, no rights and liabilities stated under the Scheme shall accrue to or be incurred inter se the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person.
 4. Upon the Scheme becoming effective and in consideration of the Amalgamation including the transfer and vesting of the undertaking of the Transferor Company in the Transferee Company pursuant to this Scheme, the Transferee Company shall, without any further application, act, or deed issue and allot the Merger Consideration Shares to all Eligible Shareholders, at the Share Exchange Ratio on the basis of the Valuation Report; and all the Transferor Company Shares (*as defined under the Scheme*) held by the Transferee Company on the Effective Date shall stand cancelled without any further application, act or deed. Further, the investment in the shares of the Transferor Company, as reflecting in the books of accounts of the Transferee Company shall, without any further act or deed, stand cancelled, written-off, or otherwise extinguished.
 5. Various other matters consequential or otherwise integrally connected with the Scheme.

Part B

The Merger Implementation Agreement, *inter alia* provides for the following:

1. The Merger Implementation Agreement shall become effective on and from May 05, 2023, and remain valid and binding unless terminated in accordance with the terms of the MIA.



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2. The MIA shall terminate without any further action of the Transferor Company or the Transferee Company on the earlier of:
- (a) the Transferee Company failing to acquire 51% (fifty-one percent) of the Expanded Share Capital (*as defined under the Scheme*) of the Transferor Company;
 - (b) the date on which CCI rejects the application filed by the Transferee Company;
 - (c) any of the conditions set out in the MIA remaining unfulfilled;
 - (d) the SEBI or the Stock Exchanges rejects the Scheme submitted in respect of the Transaction, without providing a chance for re-submission, unless the Transferor Company or the Transferee Company mutually agree in writing to: (i) appeal the decision of SEBI or Stock Exchange(s), or (ii) implement the transactions contemplated in the Scheme otherwise than by means of the Scheme;
 - (e) the Tribunals rejects the Scheme, unless the Transferor Company or the Transferee Company mutually agree in writing to: (i) appeal the decision of the relevant Tribunal, or (ii) implement the transactions contemplated in the Scheme otherwise than by means of the Scheme.

The details regarding the Scheme and Merger Implementation Agreement under Regulation 30 of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015, dated September 9, 2015, are enclosed as Annexure 1 and Annexure 2, respectively.

You are requested to take the same on your record.

Thanking you,

Yours faithfully,

For **TCNS CLOTHING CO. LIMITED**

Piyush Asija
Company Secretary and Compliance Officer
M. No.: A21328

Date: May 05, 2023

Place: New Delhi



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Annexure 1
(With reference to Part A of this disclosure)

Sr. No.	Particulars	Details
a)	Name of the entity(ies) forming part of the amalgamation/ merger, details in brief such as size, turnover etc	<p><u>Name of the Company:</u> TCNS Clothing Co. Limited</p> <p><u>Turnover:</u> ₹ 933.03 crores as on December 31, 2022 <u>Net worth:</u> ₹ 635.68 crores as on September 30, 2022 <u>Profit after tax:</u> ₹ 10.58 crores as on December 31, 2022</p> <p><u>Name of the Acquirer Company:</u> Aditya Birla Fashion and Retail Limited</p> <p><u>Turnover:</u> ₹ 9,085.57 crores as on December 31, 2022 <u>Net worth:</u> ₹ 3857.82 crores as on September 30, 2022 <u>Profit after tax:</u> ₹ 260.62 crores as on December 31, 2022</p>
b)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”	<p>Presently, the transaction is not a related party transaction as the parties to the Scheme are not related to each other.</p> <p>As detailed above, the coming into effect of the Scheme is subject to acquisition of 51% (fifty-one percent) of the Expanded Share Capital of the Transferor Company by the Transferee Company, pursuant to the open offer by the Transferee Company and the underlying transactions thereto, on or prior to the Long Stop Date.</p> <p>If the Transferee Company successfully completes the said acquisition of 51% of the Expanded Share Capital of the Company, it would become the holding company of the Transferor Company.</p> <p>However, in terms of General Circular No. 30/2014 dated 17th July 2014 issued by Ministry of Corporate Affairs ("MCA Circular"), the transactions arising out of compromises, arrangements and amalgamations under the Companies Act, 2013 ("Act"), will not attract the requirements of Section 188 of the Act.</p>
c)	Area of business of the entity(ies)	<p>Company is a public listed company incorporated under the provisions of the Companies Act, 1956 and is involved in the business of manufacturing and retailing of women apparels and accessories.</p> <p>Transferee Company is a public listed company incorporated under the provisions of the Companies Act, 1956 and is involved in the business of fashion lifestyle and retail.</p>
d)	Rationale for amalgamation/ merger	The Amalgamation pursuant to the Scheme would, <i>inter alia</i> , have the following benefits:



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Sr. No.	Particulars	Details
		<p>(i) <i>Strengthening of organizational capabilities around operational and financial areas, driving scale benefits through leveraging resources;</i></p> <p>(ii) <i>Enabling coverage of complementary markets and consumer segments in line with focused strategy of building a comprehensive apparel portfolio; entering newer markets and driving penetration;</i></p> <p>(iii) <i>Creating revenue synergies through sharing of consumer understanding, market insights, channel models to ensure faster go to market and achieve faster growth with fewer resources;</i></p> <p>(iv) <i>Driving synergy benefits around back-end such as procurement, logistics, supply chain, technology operations and shared services; driving optimal utilization of resources and building centers of excellence for a larger company;</i></p> <p>(v) <i>Enhancing organizational capabilities arising from pooling of talent and human capital with diverse skill sets and experience in areas such as design, sourcing and consumer insights, providing strength to operate strongly in a highly fragmented market;</i></p> <p>(vi) <i>Enabling more coordinated and comprehensive business management with clear focus on driving common goals around building best quality products, wide distribution, efficient operations, brand building; allowing for more efficient allocation of capital and resources for growth;</i></p> <p>(vii) <i>Driving channel efficiencies by providing opportunity to cross-sell products across markets;</i></p> <p>(viii) <i>Streamlining of legal, compliance and other statutory functions to allow a more coordinated approach towards governance for the businesses;</i></p> <p>(ix) <i>Post Scheme, Transferee Company to become a platform for building category-led business and be better placed to adequately finance the growth prospects of the business;</i></p> <p>(x) <i>Driving cost synergies and reducing overlaps between businesses.</i></p>
e)	In case of cash consideration - amount or otherwise share exchange ratio	There is no cash consideration involved in the Scheme.



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Sr. No.	Particulars	Details
		<p>On Amalgamation of the Transferor Company with the Transferee Company, the Transferee Company will issue its equity shares to the shareholders of the Transferor Company (other than itself towards the equity shares held by it in the Company) as per the below Share Exchange Ratio:</p> <p>11 fully paidup equity shares of INR 10 each of the Acquirer, for every 6 fully paid-up equity shares of INR 2 of the Company (“Share Exchange Ratio”).</p> <p>The Share Exchange Ratio is arrived on the basis of the valuation report dated May 05, 2023 issued by GT Valuation Advisors Private Limited, which has been confirmed by ICICI Securities an Independent SEBI registered (Category - I) Merchant Banker, by way of fairness opinions stating that the Share Exchange Ratio is fair.</p>
f)	Brief details of change in shareholding pattern (if any) of listed entity	<p>Upon the Scheme becoming effective and in consideration of the Amalgamation including the transfer and vesting of the undertaking of the Transferor Company in the Transferee Company pursuant to the Scheme, the Transferee Company shall, without any further application, act, or deed issue and allot the Merger Consideration Shares to all Eligible Shareholders, at the Share Exchange Ratio on the basis of the Valuation Report; and all the Transferor Company Shares held by the Transferee Company on the Effective Date shall stand cancelled without any further application, act or deed. Further, the investment in the shares of the Transferor Company, as reflecting in the books of accounts of the Transferee Company shall, without any further act or deed, stand cancelled, written-off, or otherwise extinguished.</p>



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Annexure 2
(With reference to Part B of this disclosure)

Sr. No.	Particulars	Details
a)	Name(s) of parties with whom the agreement is entered	1. TCNS Clothing Co. Limited 2. Aditya Birla Fashion and Retail Limited
b)	Purpose of entering into the agreement	The Merger Implementation Agreement sets out the manner of effecting the transactions envisaged in the Scheme and the rights and obligations of the parties in relation thereto.
c)	Shareholding, if any, in the entity with whom the agreement is executed	None, as of date.
d)	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.	The Merger Implementation Agreement sets out the manner of effecting the transactions envisaged in the Scheme and the rights and obligations of the parties in relation thereto.
e)	Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship.	As on date of this announcement and execution of the Merger Implementation Agreement, the said parties are not related to promoter/promoter group/ group companies in any manner. As detailed above, the coming into effect of eth Scheme is subject to acquisition of 51% (fifty-one percent) of the Expanded Share Capital of the Transferor Company by the Transferee Company, pursuant to the open offer by the Transferee Company and the underlying transactions thereto, on or prior to the Long Stop Date. If the Transferee Company successfully completes the said acquisition of 51% of the Expanded Share Capital of the Company, it would become the holding company of the Transferor Company.
f)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length";	Presently, the transaction is not a related party transaction as the parties to the Scheme are not related to each other. As detailed above, the coming into effect of the Scheme is subject to acquisition of 51% (fifty-one percent) of the Expanded Share Capital of the Transferor Company by the Transferee Company, pursuant to the open offer by the Transferee Company and the underlying transactions thereto, on or prior to the Long Stop Date. If the Transferee Company successfully completes the said acquisition of 51% of the Expanded Share Capital of the Company, it would become the holding company of the Transferor Company. However, in terms of General Circular No. 30/2014 dated 17 th July 2014 issued by Ministry of Corporate Affairs (" MCA Circular "), the transactions arising out



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Sr. No.	Particulars	Details
		of compromises, arrangements and amalgamations under the Companies Act, 2013 ("Act"), will not attract the requirements of Section 188 of the Act.
g)	In case of issuance of shares to the parties, details of issue price, class of shares issued;	Not Applicable Upon the Scheme becoming effective, the Transferee Company will issue equity shares (as per the Share Exchange Ratio) to the shareholders of the Transferor Company (other than the Transferee Company) as on the record date.
h)	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.;	None
i)	In case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s): a) name of parties to the agreement; b) nature of the agreement; c) date of execution of the agreement; d) details of amendment and impact thereof or reasons of termination and impact thereof.	Not Applicable



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