



# VARDHMAN TEXTILES LIMITED

(Formerly Known as Mahavir Spinning Mills Limited)

Registered Office : Chandigarh Road, Ludhiana - 141 010 (Punjab) INDIA

Phones : (0161) 2228943-48 Fax : (0161) 2601048, 2222616, 2601040

PAN No. : AABCM4692E

Ref. VTXL:SCY:MAR:2010-2011

Dated: 16.03.2011

✓ The Deputy General Manager,  
Corporate Relationship Deptt,  
Bombay Stock Exchange Limited,  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P.J Towers,  
Dalal Street, Fort,  
MUMBAI -400001.

**SUB : SCHEME OF ARRANGEMENT AND DEMERGER BETWEEN VARDHMAN  
TEXTILES LIMITED AND VARDHMAN SPECIAL STEELS LIMITED  
("SCHEME")**

Dear Sir,

This is in continuation of our earlier letter dated 28<sup>th</sup> September, 2010 informing you about the Court Convened Meetings of the Shareholders, Secured Creditors and Unsecured Creditors which were required to be held on 23<sup>rd</sup> October, 2010 pursuant to the Order of the Hon'ble Punjab & Haryana High Court at Chandigarh dated 8<sup>th</sup> September, 2010.

This is further to inform you that pursuant to the approval to the Scheme by the Shareholders, Secured Creditors and Unsecured Creditors, a Confirmatory Petition was filed in the Hon'ble Punjab & Haryana High Court at Chandigarh for its approval which was finally heard and an Order was passed by the Hon'ble Punjab & Haryana High Court on 12<sup>th</sup> January, 2011 approving the Scheme. A certified copy of the said Order dated 12<sup>th</sup> January, 2011, however, was received on 11<sup>th</sup> March, 2011 by the Company. The Copy of the Order has been filed with the Registrar of Companies at Chandigarh on 15<sup>th</sup> March, 2011 and the Scheme has become effective (A complete copy of the aforesaid Order dated 12<sup>th</sup> January, 2011 is enclosed herewith). As per the Scheme, the Steel Business Undertaking of the Company stands vested in Vardhman Special Steels Limited w.e.f the Appointed Date i.e. 1<sup>st</sup> January, 2011.

As per Clause 5.1 of the Scheme, the shareholders of Vardhman Textiles Limited would be allotted 1 share of Vardhman Special Steels Limited for every 5 shares held in Vardhman Textiles Limited whose names are registered in the register of members of Vardhman Textiles Limited as on the Record Date to be fixed for the purpose. Accordingly, in terms of Clause 1.8 of the Scheme, the Board/Committee of Directors of Vardhman Textiles Limited and Vardhman Special Steels Limited has fixed 30<sup>th</sup> March, 2011 as the Record date for determining the entitlement of the shareholders of Vardhman Textiles Limited to the shares of Vardhman Special Steels Limited.



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In this regard attention of the Exchange and the Shareholders of the Company is also brought to Clause 5.4 of the Scheme which provides that all those shareholders who hold shares of the Company in physical form shall also have the option to receive the Equity Shares in dematerialized form provided, the details of their account with the Depository Participant are intimated in writing to the Company and / or its Registrar before the Record Date. Otherwise, they would be issued Equity Shares, in physical form.

This is for your information & records please.

Thanking you,

Yours faithfully,  
for VARDHMAN TEXTILES LIMITED

(VIPIN GUPTA)  
COMPANY SECRETARY

CC. 1. National Securities  
Depository Limited  
Trade World, 4<sup>th</sup> Floor,  
Kamala Mills Compound,  
Senapati Bapat Marg,  
Lower Parel,  
Mumbai- 400013

FOR YOUR NECESSARY ACTION  
PLEASE.

2. Central Depository  
Services (India) Limited  
Feroze Jeejeebhoy  
Towers, 17<sup>th</sup> Floor, Dalal  
Street,  
Mumbai- 400023

-DO-

3. Alankit Assignments Ltd.  
2E/21, Alankit House,  
Jhandewalana Extension  
New Delhi - 110 055

-DO-



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Bombay Stock Exchange Limited,  
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Rotunda Building, P.J Towers,  
Dalal Street, Fort,  
MUMBAI -400001.

**SUB : RECORD DATE FOR THE SCHEME OF ARRANGEMENT AND DEMERGER  
BETWEEN VARDHMAN TEXTILES LIMITED AND VARDHMAN SPECIAL  
STEELS LIMITED ("SCHEME")**

Dear Sir,

This is in continuation of our earlier letter dated 16<sup>th</sup> March, 2011. Kindly note that as per Clause 5.1 of the Scheme, the shareholders of Vardhman Textiles Limited would be allotted 1 (one) Equity share of Rs. 10 each of Vardhman Special Steels Limited for every 5 (Five) Equity shares of Rs. 10 each held in Vardhman Textiles Limited, whose names shall appear in the register of members of Vardhman Textiles Limited as on the Record Date fixed for the purpose, in consideration for the transfer and vesting of the Steel Business Undertaking of Vardhman Textiles Limited in Vardhman Special Steels Limited.

This is further to clarify that there is no reduction in the Equity Share Capital of Vardhman Textiles Limited and the shareholders of Vardhman Textiles Limited shall get the shares of Vardhman Special Steels Limited, in the ratio as stated above, without any reduction in their Existing Shareholding in Vardhman Textiles Limited.

Accordingly, in terms of Clause 1.8 of the Scheme, the Board/Committee of Directors of Vardhman Textiles Limited and Vardhman Special Steels Limited has fixed 30<sup>th</sup> March, 2011 as the Record date for determining the entitlement of the shareholders of Vardhman Textiles Limited to the shares of Vardhman Special Steels Limited.

In terms of the Scheme, the Board of Directors of Vardhman Special Steels Limited shall consolidate all fractional entitlements, if any, arising due to the demerger of the Steel Business Undertaking and allot Equity Shares in lieu thereof to a director or such other authorized representative(s) as the Board of Directors of Vardhman Special Steels Limited shall appoint in this behalf, who shall hold the Equity Shares issued in Vardhman Special Steels Limited, in trust on behalf of the members entitled to fractional entitlements with the express understanding that such director(s) or other authorized representative(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it / he / they may deem fit, and pay to Vardhman Special Steels Limited, the net sale proceeds thereof, whereupon Vardhman Special Steels Limited shall distribute such net sale proceeds, subject to taxes, if any, to the members in proportion to their respective fractional



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entitlements. The Board of Directors of Vardhman Special Steels Limited, if it deems necessary, in the interest of allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.

This is for your information and necessary action please.

Thanking you,

Yours faithfully,

For VARDHMAN TEXTILES LIMITED

(VIPIN GUPTA)

COMPANY SECRETARY

- ENCL. 1. Copy of the Order  
2. Copy of the Scheme.  
3. Form No. 21  
4. Undertaking  
5. Networth and Sharecapital of Vardhman Textiles Limited and Vardhman Special Steels Limited Pre and Post Scheme of Arrangement and Demerger