

Date: 09/12/2020

To,

The Listing Department National Stock Exchange of India Ltd Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051  NSE Symbol: RUPA	The Department of Corporate Services BSE Ltd Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001  Scrip Code: 533552
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**Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('SEBI Listing Regulations') w.r.t. approval of the Scheme of Arrangement between Oban Fashions Private Limited, Wholly-owned Subsidiary of Rupa & Company Limited, ('Oban' or "the Demerged Company") and Rupa & Company Limited ("Rupa" or "the Resulting Company" or "the Company")**

Respected Sir/ Madam,

The Board of Directors of the Company at its Meeting held on December 9, 2020 has approved the Scheme of Arrangement between Oban Fashions Private Limited, Wholly-owned Subsidiary of Rupa & Company Limited, ('Oban' or "the Demerged Company") and Rupa & Company Limited ("Rupa" or "the Resulting Company" or "the Company") and their respective shareholder(s) ("Scheme") under Sections 230 to 232 of the Companies Act, 2013, subject to requisite approvals/permissions.

The details required under Regulation 30 of the SEBI Listing Regulations are as hereunder:

**a) Brief details of the division(s) to be demerged, and transferred and vested into the Resulting Company**

The Demerged Company is an authorized licensee with rights from French Connection Limited to develop, manufacture, market and sale of the innerwear and related products with the brand name "FCUK" in India as well as an authorized licensee with rights from Fruit of the Loom, INC to manufacture, distribute, advertise and sell innerwear, and outerwear products for men boys women, girls and toddler in India under their brand name and mark, "FOTL" (Demerged Undertaking). The Demerged Undertaking of the Demerged Company comprises of whole of the undertaking and the entire business in connection with the above two brands, operated under the license of FCUK and FOTL.

**b) Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year**

Turnover of the demerged division of the Demerged Company, as per audited financials for the year ended March 31, 2020 is Rs.32.65 crore, which constitutes 96.14% of the total turnover of the Demerged Company and 3.44% of the total turnover of the Resulting Company.



**c) Rationale for demerger**

- i. The Resulting Company is engaged in the manufacturing, marketing, selling and distribution of men's and women's innerwear, thermal wear and fashion wear products, across economy, mid-premium, premium and super-premium categories. Resulting Company operations through its manufacturing facilities in West Bengal, Tamil Nadu, Karnataka and Uttar Pradesh.
- ii. The Demerged Company is engaged in manufacturing, marketing and selling of hosiery items. One of the undertakings of the Demerged Company is an authorized licensee with rights for whole of India with respect to innerwear (briefs, trunks, knit thermals, etc.) and outerwear (t-shirts, knit pants, vests, leggings, etc.) for premium/ luxury brands French Connection UK ('FCUK') and Fruit of the Loom ('FOTL'). The other undertaking of the Demerged Company is *inter alia* engaged in the trading of semi-finished hosiery goods and items, etc.
- iii. The management of the companies have examined the relative business strengths and the potential commercial and other synergies of the consolidation and proposed to consolidate their Demerged Undertaking under a single entity. Accordingly, it is being proposed to transfer the Demerged Undertaking of the Demerged Company to the Resulting Company.
- iv. The proposed demerger of the Demerged Undertaking would, *inter alia*, help in:
  - Utilizing the current market presence and customer base of the Resulting Company.
  - Streamlining the operational structure of the Demerged Undertaking.
  - Synergies expected to bring in cost savings in the marketing, selling and distribution expenses as well as give benefits of the economies of scale of the Company.
  - Would enable consolidation of similar premium businesses and carry on the same more efficiently and effectively.
  - Beneficial results for the Companies concerned, their shareholders, employees and all concerned.
- v. The Demerged Company and the Resulting Company believe that this Scheme is in the best interest of the relevant companies and their respective shareholders and creditors, and other stakeholders, as it is expected to provide greater financial strength and flexibility.

**d) Brief details of change in shareholding pattern (if any) of all entities**

The demerger of the Demerged Undertaking is from Wholly-owned Subsidiary into its Holding Company and no consideration shall be required to be discharged pursuant to the Scheme. Therefore, there will be no change in the shareholding pattern of the Resulting Company and Demerged Company.

**e) In case of cash consideration - amount or otherwise share exchange ratio**

Not applicable, since no consideration shall be required to be discharged and no shares shall be allotted, as it is a demerger of undertaking from Wholly-owned Subsidiary to its Holding Company

**f) Whether listing would be sought for the resulting entity**

The proposed demerger is into Rupa & Company Limited (Resulting Company) which is already listed with BSE Limited and National Stock Exchange of India Limited.



**g) Date on which the agreement for sale has been entered into**

The demerger of the Demerged Undertaking shall take place in terms of the Scheme to be approved by the National Company Law Tribunal.

**h) The expected date of completion of sale/disposal**

The completion of the demerger shall be in accordance with the Scheme of Arrangement to be approved by the National Company Law Tribunal.

**i) Consideration received from such sale/disposal**

There will be no consideration involved considering the scheme is between the Company and its Wholly-owned Subsidiary.

**k) Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"**

The demerger of undertaking of the Wholly-owned Subsidiary into the Company would fall under the purview of related party transactions and the same shall take place in terms of the Scheme to be approved by the by the National Company Law Tribunal.

**l) Quantitative and/ or qualitative effect of restructuring**

The demerger of the Demerged Undertaking is from Wholly-owned Subsidiary into its Holding Company (Rupa), as per the Scheme of Arrangement to be approved by the National Company Law Tribunal.

**m) Details of benefit, if any, to the promoter/promoter group/group companies from such proposed restructuring**

Please refer to the rationale of the demerger as provided above.

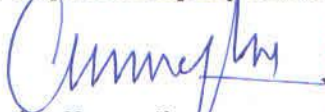
Please also note that the Company shall submit the draft Scheme of Arrangement with the stock exchanges before submission of the same with the National Company Law Tribunal, in terms of Regulation 37 of the Listing Regulations.

Please take the same on record.

Thanking you.

Yours faithfully,

**For Rupa & Company Limited**



Kundan Kumar Jha  
**Company Secretary & Compliance Officer**  
ACS 17612

