



**Vardhman**

Delivering Excellence. Since 1965.

# VARDHMAN TEXTILES LIMITED

CIN L17111PB1973PLC003345

Registered Office: Chandigarh Road, Ludhiana, Punjab, India 141010

Tel. No.: 91-161-2228943 Fax No.: 91-161-2601048

Email: secretarial.lud@vardhman.com Website: www.vardhman.com

## POSTAL BALLOT FORM

(Please read the instructions printed overleaf before completing this form)

Sl. No.:

1. Name and Address of the

Sole/First named Member /

Beneficial Owner as registered

2. Name(s) of the Joint Holder(s),

if any, registered with the

Company

3. Registered Folio No./DP ID No./

Client ID No\* (\*Applicable to

investors holding shares in

dematerialized form)

4. Number of Shares held

5. I/We hereby exercise my/our vote in respect of the following resolution to be passed through Postal Ballot for the

business stated in the Notice dated 24<sup>th</sup> September, 2016 of the Company by sending my/our assent (For) or dissent

(Against) to the said resolutions by placing the tick (✓) mark at the appropriate box below:

Description	Number of Shares	I/We assent to the Resolution (For)	I/We dissent to the Resolution (Against)
<b>ITEM NO. 1</b>			
Special Resolution under Section 68 of the Companies Act, 2013, for buyback of Equity Shares by the Company			

Place: \_\_\_\_\_ Date: \_\_\_\_\_ (Signature of the Member / Beneficial Owner)

EVSN (E-Voting Sequence Number) User ID / Folio No./ DP ID/ Client ID Sequence No.

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## **INSTRUCTIONS:**

1. A member desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form and send to the Scrutinizer in the enclosed self-addressed and postage pre-paid Envelope. No postage is required, however envelopes containing Postal Ballots, if sent through courier or registered post at the expense of or deposited at the address given herein by the registered member will also be accepted. The envelopes containing the Postal Ballot should reach the Scrutinizer not later than 5.00 p.m. on Tuesday, 22<sup>nd</sup> November, 2016. All forms received after this date will be treated as if reply from the shareholders has not been received.
2. The voting rights of the members shall be in proportion to their shares in the total paid-up equity share capital of the company as on 14<sup>th</sup> October, 2016.
3. The self addressed pre paid envelope bears the address of the Scrutinizer appointed by the Board of Directors of the Company.
4. The Form should be completed and signed by the sole/first named shareholder. In the absence of the first named shareholder in a joint holding, the form may be completed and signed by next named shareholder. (However, where the form is sent separately by the first named shareholder and joint holder(s), the vote of first named shareholder would be valid).
5. There will be only one postal ballot form for every folio irrespective of the number of joint shareholder(s).
6. In case of shares held by Companies, Trusts etc the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution/Authority, with signatures of Authorized Signatories.
7. Members are requested not to send any other matter along with Postal Ballot Form in the enclosed Postage Prepaid envelope. If any extraneous papers are found, the same will be destroyed by the Scrutinizer.
8. Incomplete, unsigned or incorrectly filled Postal Ballot Forms are subject to rejection by the Scrutinizer.
9. The votes should be cast either in favour of or against by putting the ( √ ) mark in the column provided for assent or dissent. Postal Ballot Forms bearing tick mark in both the column will render the form and vote contained therein invalid.



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Email: secretarial.lud@vardhman.com Website: www.vardhman.com

### **NOTICE OF POSTAL BALLOT**

#### **Pursuant to Section 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014**

Dear Member(s),

Notice is hereby given pursuant to Section 110 and other applicable provisions of the Companies Act, 2013, (the "Act"), read together with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the "**Management Rules**"), including any statutory modification or re-enactment thereof for the time being in force and any other applicable provisions of the Act and the rules made thereunder, that the resolution set out below for the proposed buyback by Vardhman Textiles Limited (the "**Company**") of its fully paid up equity shares each having a face value of Rs. 10/- is proposed to be passed by way of Postal Ballot/e-Voting. An Explanatory Statement pertaining to the said resolution setting out the material facts and the reasons thereof is annexed to the Notice, along with a Postal Ballot form (the "**Postal Ballot Form**") for your consideration.

The Board of Directors of the Company at its meeting held on 24<sup>th</sup> September, 2016 have, subject to approval of shareholders of the Company and approval of statutory, regulatory or governmental authorities as may be required under applicable laws, approved the proposal to buyback equity shares on a proportionate basis through a tender offer in accordance with the Act, the Management Rules, and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998. The aforesaid buyback shall be less than 25% of the aggregate paid up capital and free reserves of the Company at a price not exceeding Rs. 1,175/- per equity share.

In accordance with the provisions of Sections 68(2)(b), 69, 110 of the Act read with Rule 22(16)(g) of the Management Rules and other applicable provisions of the Act and the rules made thereunder, and the Articles of Association of the Company, the Company is required to obtain approval of its members by way of special resolution through postal ballot for the Buyback. The Buyback will comprise of a purchase of equity shares not exceeding 61,27,659 (aggregating up to 9.63% of the paid-up equity share capital of the Company), at an illustrative Buyback price of Rs. 1,175/- per equity share, payable in cash for an aggregate amount not exceeding Rs. 720 crores (Rupees Seven Hundred Twenty Crores) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc. Accordingly, the Company seeks your approval for the proposed Buyback. An explanatory statement pursuant to Section 102 of the Companies Act and other applicable legal provisions, pertaining to the said resolution setting out the material facts and the reasons thereof, is also appended. The said resolution and explanatory statement are being sent to you along with the Postal Ballot Form for your consideration.

Pursuant to Rule 22(5) of the Management Rules, the Company has appointed M/s. B.K. Gupta & Associates, Practicing Company Secretaries (Certificate of Practice No. 5708) as the scrutiniser ("**Scrutiniser**") for conducting the Postal Ballot process in a fair and transparent manner.

The members of the Company are requested to carefully read the instructions printed on the Form, record your assent (for) or dissent (against) therein and return the Postal Ballot Form, in original, duly completed in all respects, in the enclosed self-addressed, postage pre-paid business reply envelope (if posted in India) so as to reach the Scrutiniser, on or before the close of working hours (5:00 p.m.) on 22<sup>nd</sup> November, 2016. Please note that any Postal Ballot Form(s) received after the said date and time will be treated as not having been received.

E-Voting facility is also provided to all members to enable them to cast their votes electronically instead of dispatching Postal Ballot Forms. Members desiring to opt for e-voting as per facilities arranged by the Company are requested to follow the procedure as stated in the notes to the Notice. Members of the Company will have both the options of voting i.e. by e-voting and through Postal Ballot Form. Kindly note that while exercising their vote, members of the Company can opt for only one of the modes of voting i.e. either through Postal Ballot Form or e-voting. If you are opting for e-voting, then you are requested not to vote through Postal Ballot Form and *vice versa*. In case member votes through both the modes, voting done by e-voting shall prevail and votes cast through postal ballot will be treated as invalid.

Upon completion of the scrutiny of the Postal Ballot Forms, the Scrutiniser will submit his report to the Chairman of the Company duly authorised in this regard, in a fair and transparent manner. The result of the Postal Ballot would be announced by the Chairman or Company Secretary duly authorised, on Thursday, 24<sup>th</sup> November, 2016 at 3.00 p.m. at the registered office of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website i.e. [www.vardhman.com](http://www.vardhman.com) within two (2) days of passing of the resolution and shall also be communicated to the stock exchanges, where the Equity Shares of the Companies are listed. The results shall also be placed on the website of CDSL.

The date of declaration of the results of the postal ballot i.e. Thursday, 24<sup>th</sup> November, 2016 shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

#### **RESOLUTION:**

##### **Approval for the Buyback of Equity Shares of the Company:**

To consider and if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in accordance with Article 82 of the Articles of Association of the Company and the provisions of Sections 68, 69 and 110 and all other applicable provisions, if any, of the Companies Act, 2013 (the "**Act**"), the Companies (Share Capital and Debentures) Rules, 2014 (the "**Share Capital Rules**"), the Companies (Management and Administration) Rules, 2014 (the "**Management Rules**"), including any amendments, statutory modifications or re-enactments thereof, for the time being in force and in compliance of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ("the **Buy-back Regulations**"),

and subject to such other approvals, permissions and sanctions as may be necessary and subject to any modifications and conditions, if any, as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**”, which expression includes the Buyback Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the consent of the members be and is hereby accorded for the Buyback by the Company of its fully paid-up equity shares of a face value of Rs. 10/- each (“**Equity Share**”), from the members of the Company, for a total consideration not exceeding Rs. 720 Crores (Rupees Seven Hundred Twenty Crores), excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc. (hereinafter referred to as the “**Buyback Size**”), (being less than 25% of the total paid-up equity capital and free reserves of the Company as per latest audited balance sheet as on March 31, 2016), at a price not exceeding Rs. 1,175/- (Rupees One Thousand One Hundred Seventy Five only) (“**Maximum Buy-back Price**”) per Equity Share payable in cash through the “**Tender Offer**” route (hereinafter referred to as the “**Buyback**”), in accordance and consonance with the provisions contained in the Buy-back Regulations and the Act.

**RESOLVED FURTHER THAT** within the Maximum Buy-back price of Rs.1,175/- per Equity Share, the Board is authorised to determine the specific price at which the Buyback will be made at the time of Public Announcement for Buyback to the eligible shareholders.

**RESOLVED FURTHER THAT** at the Maximum Buy-back price of Rs.1,175/- per Equity Share and for the Buyback size not exceeding Rs.720 crores, the indicative number of Equity Shares that can be bought back is 61,27,659 fully paid-up Equity Shares, representing 9.63% of the total issued and paid-up equity capital of the Company; and in the event the final Buyback price is lower than Rs.1,175/- per Equity Share (Maximum Buy-back Price), the indicative number of shares shall go up accordingly.

**RESOLVED FURTHER THAT** the Buyback, to the extent permissible under law and subject to all applicable legal provisions, be implemented using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015.

**RESOLVED FURTHER THAT** the Company shall implement the Buyback from out of its securities premium account and other free reserves and that the Buyback shall be through the tender offer route in such manner as may be prescribed under the Act and the Buy-back Regulations and on such terms and conditions as the Board of Directors may deem fit.

**RESOLVED FURTHER THAT** as required by Regulation 6 of the Buy-back Regulations, the Company shall buy back Equity Shares from the shareholders on a proportionate basis under the Tender Offer, provided 15% of the number of Equity Shares which the Company proposes to buy back or number of Equity Shares entitled as per the shareholding of small shareholders at Record Date, whichever is higher, shall be reserved for small shareholders, as defined in the Buyback Regulations.

**RESOLVED FURTHER THAT** nothing contained hereinabove shall confer any right on the part of any shareholder to offer, or any obligation on the part of the Company or the Board of Directors to buyback any shares and/or impair any power of the Company or the Board of Directors to terminate any process in relation to such Buyback if so permissible by law.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the shareholders for the implementation of the Buyback, including but not limited to carrying out incidental documentation as also to make applications to the appropriate authorities for their approvals and to initiate all necessary actions for preparation and issue of various documents, opening of accounts including public announcement, letter of offer, extinguishment of share certificates and 'Certificate of Extinguishment' required to be filed in connection with the Buyback on behalf of the Board and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the Securities and Exchange Board of India, Reserve Bank of India, The BSE Limited, National Stock Exchange of India Limited, Registrar of Companies, Depositories and/or other authorities.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**By order of the Board of Directors,**

**For Vardhman Textiles Limited**

**(Karan Kamal Walia)**

**Company Secretary**

**M. No.: FCS 7935**

**Place: Ludhiana**

**Date: 24<sup>th</sup> September, 2016**

**Notes:**

1. The Explanatory Statement pursuant to Section 102 read with Section 110 of the Companies Act, 2013 (the “Act”) setting out material facts pertaining to the resolution is annexed hereto along with the postal ballot form for your consideration.
2. The Postal Ballot Notice is being sent to all the shareholders, whose names appear on the Register of Members/list of Beneficial Owners on Friday, 14<sup>th</sup> October, 2016, as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL).
3. The Company has appointed M/s. B.K. Gupta & Associates, Practicing Company Secretaries (Certificate of Practice No. 5708) as



Scrutiniser for conducting the Postal Ballot process in a fair and transparent manner. After completion of their scrutiny of the Postal Ballot Forms, they will submit their report to the Chairman duly authorised in this regard, in a fair and transparent manner. The results of the Postal Ballot would be announced by the Chairman or Company Secretary, duly authorized on Thursday, 24<sup>th</sup> November, 2016 at 3.00 p.m. at the registered office of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website i.e. [www.vardhman.com](http://www.vardhman.com) within two (2) days of passing of the resolution and shall also be communicated to the stock exchanges, where the Equity Shares of the Company are listed. The results shall also be posted on the website of CDSL.

4. The Postal Ballot notice is being sent through electronic mode only to those members whose email addresses are registered with the Company/ Depository Participant (s). For members who have not registered their email addresses, physical copies of the Postal Ballot Notice are being sent through permitted mode. Shareholders who have received Postal Ballot Notice by e-mail shall send their assent / dissent through email. Members receiving email but who wish to vote through Physical Postal Ballot Form can download the same from the website of the Company [www.vardhman.com](http://www.vardhman.com). To seek duplicate Postal Ballot Form, please contact our Registrar and Share Transfer Agent, M/s Alankit Assignments Limited and request you to fill in the details and send the same to the Scrutiniser.

5. Facility to exercise vote by postal ballot including voting through electronic means will be available during the following period:

**Commencement of voting: From 09.00 a.m. on 24<sup>th</sup> October, 2016**

**End of voting: At 05.00 p.m. on 22<sup>nd</sup> November, 2016 (both days inclusive)**

6. **Voting through Postal ballot:**

- i. Shareholders desiring to exercise vote by Postal Ballot Form are requested to carefully read the instructions printed on the reverse of the Postal Ballot Form and return the Postal Ballot Form duly completed, in all respects and signed in the enclosed self-addressed postage pre-paid envelope/business reply envelope to the Scrutinizer. The postage cost will be borne by the Company. However, envelopes containing Postal Ballot Forms, if sent in person, by courier or registered/speed post at the expense of the shareholders will also be accepted.
- ii. The Postal Ballot Form should be completed and signed by the member.
- iii. The voting rights of the shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on Friday, 14<sup>th</sup> October, 2016 being the cut-off date. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
- iv. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected. The Scrutinizer's decisions on the validity of a Postal Ballot Form shall be final and binding.
- v. Votes will be considered invalid on the following grounds:
  - if the member's signature does not tally.
  - if the member has marked all his shares both in favour and also against the resolution.
  - if the Postal Ballot Form is unsigned.
  - if the Postal Ballot Form is received torn or defaced or mutilated to an extent that it is difficult for the Scrutinizer to identify either the member or the number of votes or as to whether the votes are in favor or against or if the signature could not be checked or on one or more of the above grounds.
  - if the information filled in the Postal Ballot Form is incomplete.
  - if any other form or photocopy of the Postal Ballot Form is used.
  - any direction given by competent authority in writing to the Company to freeze the voting rights of the member.

7. **Voting through electronic means:**

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015, the Company is pleased to provide members a facility to exercise their right to vote on the Postal Ballot by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

**The instructions for shareholders voting electronically are as under:**

- (i) The e-voting period commences on Monday, 24<sup>th</sup> October, 2016 ( 09.00 a.m.) and ends on Tuesday, 22<sup>nd</sup> November, 2016 (05.00 p.m.). During this period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 14<sup>th</sup> October, 2016 , may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after end of voting period on 22<sup>nd</sup> November, 2016 . Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on Attendance slip provided with the Annual report.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field</li> </ul>
Date of Birth (DOB) <b>OR</b> Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN: 161012001 for <VARDHMAN TEXTILES LIMITED> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app "m-voting" available for android based mobiles. The m-voting app can also be downloaded from google play store. Apple and windows phone users can download the app from App Store and the windows phone store respectively as on after 30th June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**8. Name, Designation, Address, E-mail ID and Phone Number of person responsible to address grievances connected with E-voting**

Name : Karan Kamal Walia  
 Designation : Company Secretary  
 Address : Vardhman Textile Limited  
 Chandigarh Road, Ludhiana-141010  
 Tel. : 0161-2228943-48  
 Email Id : [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com)

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE**

With an objective of rewarding members holding Equity Shares of the Company through return of surplus funds, the Board at its meeting held on 24<sup>th</sup> September, 2016 has approved the proposal for recommending buyback of Equity Shares as contained in the resolution in the Notice. As per the relevant provisions of the Act and the Buy-back Regulations, the Explanatory Statement contains relevant and material information to enable the Members holding equity shares of the Company to consider and approve the Special Resolution on the Buyback of the Company's equity shares. Requisite details relating to the Buyback are given below:

### **a) Objective of the Buyback**

The Board of the Company, at its meeting held on 24<sup>th</sup> September, 2016, considered all relevant factors, including the present debt to equity of the Company, investments planned in the next 2-3 years as well as the increase in accumulated free reserves (including a one-time cash inflow on account of a partial stake sale in a subsidiary), and considered it appropriate to allocate a sum not exceeding Rs. 720 crores (Rupees Seven Hundred and Twenty Crores Only) for distributing to the members holding equity shares of the Company, through a Buyback.

Thus, after considering several factors as well as benefits to the members holding equity shares of the Company, the Board decided to recommend Buyback not exceeding 61,27,659 equity shares (aggregating up to 9.63% of the paid-up equity share capital of the Company) at a maximum price of Rs. 1,175/- (Rupees One Thousand One Hundred Seventy Five) per equity share for an aggregate consideration of up to Rs. 720 Crores (Rupees Seven Hundred Twenty Crores Only).

Buyback is a way of rewarding shareholders in an expedient, efficient and cost effective manner. Additionally, the Company's management strives to increase shareholders' value and the Buyback would result in, amongst other things;

- i. Distribution of surplus funds to the members holding equity shares broadly in proportion to their shareholding, thereby, enhancing the overall return to members;
- ii. Enhancing shareholders' confidence;
- iii. Achieving optimal capital structure;
- iv. Mitigating the short term market volatility;
- v. The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buy-back Regulations, would involve allocation of 15% of the outlay to small shareholders. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholder";
- vi. The Buyback would help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value;
- vii. The Buyback gives an option to the members holding equity shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback Offer or they may choose to not participate and enjoy a resultant increase in their percentage shareholding, post the Buyback Offer, without additional investment.

### **b) Maximum amount required under the Buyback, its percentage of the total paid-up capital and free reserves and the sources of funds from which the Buyback would be financed**

The maximum amount required under the Buyback would not exceed Rs. 720 Crores (Rupees Seven Hundred Twenty Crores Only), which is 19.73% of the total paid-up capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2016 (excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc.)

The Buyback would be financed out of free reserves of the Company. The Company shall transfer from its free reserves a sum equal to the nominal value of the equity shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited Balance Sheet.

The Company confirms that as required under Section 68(2)(d) of the Act, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up equity share capital and free reserves after the Buyback.

The special resolution seeks the approval of the members to authorise the Board to determine the total amount to be deployed in the Buyback within the limits aforesaid. Accordingly, this Board shall decide the total amount for Buyback.

### **c) Maximum Price at which the shares are to be bought back and the basis of arriving at the Buyback Price**

The equity shares of the Company are proposed to be bought back at a price not exceeding Rs. 1,175/- (Rupees One Thousand One Hundred Seventy Five Only) per Equity Share (the "**Maximum Buyback Price**"). The Maximum Buyback Price has been arrived at after considering various factors, including, but not limited to, the trends in the volume weighted average prices of the Equity Shares of the Company on the BSE Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**") (the NSE together with the BSE is referred to as the "**Stock Exchanges**") where the Equity Shares of the Company are listed during the last three months and two weeks, the net worth of the Company and the impact of the Buyback on the key financial ratios of the Company.

The Maximum Buyback price of Rs. 1,175/- (Rupees One Thousand One Hundred Seventy Five Only) per Equity Share represents a premium of 18.42% and 18.00% over the volume weighted average price of the Equity Shares on the BSE and on the NSE respectively for 3 months preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback and 18.64% and 17.10% over the volume weighted average price of the Equity Shares on the BSE and on the NSE, respectively for 2 weeks preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.

The special resolution seeks the approval of the members to authorize the Board to determine the final Buyback price within the limits aforesaid. Accordingly, the Board shall decide the final price for Buyback

### **d) Maximum Number of shares that the Company proposes to Buyback and the time limit for completing the Buyback**

While the Board of the Company shall decide the final Buyback price, but at the Maximum Buy-back Price of Rs. 1,175/- per Equity

Share and for the Buyback size of Rs.720 crores (Rupees Seven Hundred Twenty Crores), the indicative maximum number of Equity Shares that can be bought back would be 61,27,659 fully paid-up Equity Shares, representing 9.63% of the total issued and paid-up capital of the Company. In case the final Buyback price is lower than Rs.1,175/- per Equity Share (Maximum Buy-back Price), the indicative maximum number of shares will also go up accordingly.

The special resolution seeks the approval of the members to authorize the Board to determine the number of Equity Shares to be bought back by the Company within the limits aforesaid. Accordingly, the Board shall decide the total number of Equity Shares to be bought back.

The Buyback is proposed to be completed within 12 months of the date of Special Resolution approving the proposed Buyback.

**e) Method to be adopted for the Buyback**

The Buyback shall be on a proportionate basis from all the Members holding equity shares of the Company through the "Tender Offer" route, as prescribed under the Buy-back Regulations. The Buyback will be implemented in accordance with the Act and the Share Capital Rules to the extent applicable and on such terms and conditions as may be deemed fit by the Company.

As required under the Buy-back Regulations, the Company will announce a record date (the "Record Date") for determining the names of the Members holding equity shares of the Company who will be eligible to participate in the Buyback.

In due course, upon the passing of this resolution, each shareholder as on the Record Date, will receive a Letter of Offer indicating the entitlement of the shareholder for participating in the Buyback.

The equity shares to be bought back as a part of the buyback is divided in two categories:

- (a) Reserved category for small shareholders; and
- (b) General category for all other shareholders.

As defined in the Buy-back Regulations, a "small shareholder" is a shareholder who holds equity shares having market value, on the basis of closing price on the recognized stock exchange in which highest trading volume in respect of Equity Shares as on Record Date, of not more than Rs. 2,00,000/- (Rupees Two Lacs Only). In accordance with Regulation 6 of the Buy-back Regulations, 15% (fifteen percent) of the number of equity shares which the Company proposes to Buyback or number of equity shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders as part of this Buyback.

On the basis of the holding on the Record Date, the Company will determine the entitlement of each shareholder to tender their shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of equity shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs.

Shareholders' participation in Buyback will be voluntary. Members holding equity shares of the Company can choose to participate and get cash in lieu of shares to be accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Members holding equity shares of the Company may also accept a part of their entitlement. Members holding equity shares of the Company also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other shareholders, if any. The maximum tender under the Buyback by any shareholder cannot exceed the number of equity shares held by the shareholder as on the Record Date.

The equity shares tendered as per the entitlement by Members holding equity shares of the Company as well as additional shares tendered, if any, will be accepted as per the procedure laid down in Buy-back Regulations. The settlement of the tenders under the Buyback is expected to be done using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015.

Detailed instructions for participation in the Buyback (tender of equity shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Members holding equity shares of the Company as on the Record Date.

The Buyback from non-resident shareholders, Overseas Corporate Bodies (OCB's), Foreign Institutional Investors and shareholders of foreign nationality, if any, shall be subject to such approvals, if and to the extent necessary or required from concerned authorities including approvals from the Reserve Bank of India under Foreign Exchange Management Act, 1999 and rules and regulations framed there under, if any.

**f) Compliance with Section 68(2)(c) of the Companies Act**

The aggregate paid-up share capital and free reserves as at March 31, 2016 is Rs. 3,649.08 crores. Under the provisions of the Act, the funds deployed for the Buyback cannot exceed 25% of the total paid-up capital and free reserves of the Company i.e. Rs. 912.27 crores. The maximum amount proposed to be utilized for the Buyback, is Rs. 720 crores (Rupees Seven Hundred Twenty Crores Only) and is therefore within the limit of 25% of the Company's total paid-up equity capital and free reserves as per the audited Balance Sheet as at March 31, 2016. Further, under the Act, the number of equity shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity capital of the Company in that financial year. Accordingly, the maximum number of equity shares that can be bought back in the current financial year is 1,59,12,970 Equity Shares.

Illustratively, at the Maximum Buy-back Price, approximately 61,27,659 fully paid-up Equity Shares, representing 9.63% of the total issued and paid up equity capital of the Company are proposed to be bought back. In case the final Buyback price is lower than Rs. 1,175/- per Equity Share, the indicative number of shares shall go up accordingly. However, such increased number, if any, will be within the limit of 25% of the total paid-up equity capital of the Company for the financial year ended March 31, 2016.



**g) The aggregate shareholding of the Promoters, the directors of the Promoter where Promoter is a Company and of directors and key managerial personnel of the Company as on the date of this Notice:**

1. The aggregate shareholding of the Promoters who are in control of the Company:

Sr. No	Name of Shareholder	No. of Shares held	Percentage
1	Paras Syndicate	91,552	0.14
2	Northern Trading Company	82,560	0.13
3	Ambar Syndicate	86,225	0.14
4	Eastern Trading Company	59,040	0.09
5	Sagrika Jain	7,740	0.01
6	Soumya Jain	7,980	0.01
7	Sachit Jain	40,005	0.06
8	Suchita Jain	2,70,818	0.43
9	Shakun Oswal	1,53,583	0.24
10	S.P. Oswal	6,62,125	1.04
11	Adishwar Enterprises LLP	1,29,78,058	20.39
12	VTL Investments Limited	11,34,000	1.78
13	Vardhman Holdings Limited	1,54,99,123	24.35
14	Mahavir Spinning Mills Private Limited	1,09,628	0.17
15	Syracuse Investment and Trading Co. Pvt. Ltd.	30,280	0.05
16	Srestha Holdings Private Limited	1,72,005	0.27
17	Flamingo Finance and Investment Co. Ltd.	5,90,513	0.93
18	Devakar Investment and Trading Co. Pvt. Ltd.	56,48,566	8.87
19	Pradeep Mercantile Company Private Limited	1,03,782	0.16
20	Plaza Trading Company Private Limited	840	0.00
21	Santon Finance and Investment Co. Ltd.	5,05,609	0.79
22	Ramaniya Finance and Investment Co. Ltd.	4,70,046	0.74
23	Marshall Investment and Trading Co. Pvt. Ltd.	5,47,516	0.86
24	Anklesh Investments Private Limited	3,58,556	0.56
	<b>Total</b>	<b>3,96,10,190</b>	<b>62.23</b>

2. None of the Directors or Key Managerial Personnel of the Company hold any Equity Shares in the Company except for the following:

Sr. No	Shareholding of Directors & Key Managerial Personnel	No. of Shares held	Percentage
1	S.P. Oswal	6,62,125	1.04
2	Sachit Jain	40,005	0.06
3	Suchita Jain	2,70,818	0.43
4	D.L. Sharma	3,319	0.00*
5	Rajeev Thapar (CFO & KMP)	10	0.00*

\*Negligible

3. No Equity Shares of the Company have been purchased/sold by any member of the Promoter/Promoter Group, Directors and Key Managerial Personnel of the Company during the period from 12 months preceding the date of the Board Meeting at which the Buyback was proposed and from the date of the Board Meeting till the date of this Notice, except for the following transactions:

Name of Promoter Group / Director	Date of Transfer	No. of Shares purchased/ (Sold)	Details of Transfer	Maximum Price (Rs.)*	Date of Maximum Price	Minimum Price (Rs.)*	Date of Minimum Price	Average Price (Rs.)*
Vardhman Holdings Limited	14.12.2015	735	Open market	750.90	14.12.2015	747.65	14.12.2015	749.41
Vardhman Holdings Limited	15.12.2015	2,129	Open market	778.50	15.12.2015	762.00	15.12.2015	765.54
Vardhman Holdings Limited	16.12.2015	16,694	Open market	806.30	16.12.2015	771.95	16.12.2015	796.01
Vardhman Holdings Limited	17.12.2015	20,940	Open market	819.00	17.12.2015	793.65	17.12.2015	812.31
Vardhman Holdings Limited	18.12.2015	854	Open market	820.10	18.12.2015	811.05	18.12.2015	817.09

Name of Promoter Group / Director	Date of Transfer	No. of Shares purchased/ (Sold)	Details of Transfer	Maximum Price (Rs.)*	Date of Maximum Price	Minimum Price (Rs.)*	Date of Minimum Price	Average Price (Rs.)*
Vardhman Holdings Limited	28.12.2015	15,294	Open market	829.95	28.12.2015	811.85	28.12.2015	824.86
Vardhman Holdings Limited	29.12.2015	9,178	Open market	834.65	29.12.2015	824.9	29.12.2015	830.88
Vardhman Holdings Limited	30.12.2015	4,831	Open market	835.50	30.12.2015	820.00	30.12.2015	827.77
Vardhman Holdings Limited	31.12.2015	9,547	Open market	836.65	31.12.2015	822.80	31.12.2015	831.68
Vardhman Holdings Limited	25.02.2016	1,095	Open market	752.90	25.02.2016	740.00	25.02.2016	748.98
Adishwar Enterprises LLP	25.02.2016	243	Open market	750.00	25.02.2016	747.25	25.02.2016	749.27
Anklesh Investments (P) Limited	25.02.2016	1,065	Open market	748.90	25.02.2016	748.80	25.02.2016	748.88
Marshall Investment & Trading Company Private Limited	25.02.2016	2,000	Open market	750.00	25.02.2016	746.00	25.02.2016	748.43
Syracuse Investment & Trading Company Private Limited	25.02.2016	2,665	Open market	750.00	25.02.2016	747.00	25.02.2016	749.57
Adishwar Enterprises LLP	26.02.2016	30,000	Open market	752.00	26.02.2016	748.00	26.02.2016	750.39
Devakar Investment & Trading Company Private Limited	26.02.2016	80,316	Open market	755.00	26.02.2016	739.20	26.02.2016	748.86
Devakar Investment & Trading Company Private Limited	29.02.2016	27,363	Open market	760.00	29.02.2016	743.70	29.02.2016	752.43
Vardhman Holdings Limited	30.05.2016	5,000	Open market	850.00	30.05.2016	841.50	30.05.2016	847.89
Vardhman Holdings Limited	31.05.2016	5,000	Open market	850.35	31.05.2016	838.00	31.05.2016	847.73
Vardhman Holdings Limited	01.06.2016	5,000	Open market	850.00	01.06.2016	845.00	01.06.2016	847.87
Vardhman Holdings Limited	02.06.2016	228	Open market	846.65	02.06.2016	845.50	02.06.2016	846.08

\*Excluding Brokerage and other transaction costs

4. None of the Directors of the promoters, where the promoter is a company, hold any Equity Shares in the Company except for the following:

Sr. No.	Shareholding of Directors of Promoter Company (Vardhman Holdings Limited)	No. of Shares held in the Company	Percentage
1	S. P. Oswal	6,62,125	1.04
2	Shakun Oswal	1,53,583	0.24
3	Sachit Jain	40,005	0.06
4	Suchita Jain	2,70,818	0.43
5	C.L. Jain	4,110	0.01
6	S.P. Kanwar	18,092	0.03

5. No Equity Shares of the Company have been purchased / sold by any of the Directors of the promoters, where the promoter is a company, during the period from 12 months preceding the date of the Board Meeting at which the Buyback was proposed and from the date of the Board Meeting till the date of this Notice.

**h) Intention of the Promoters of the Company to tender Equity Shares for Buyback indicating the number of shares, details of acquisition with dates and price**

In terms of the Buy-back Regulations, under the Tender Offer route, the promoters of the Company have the option to participate in the Buyback. In this regard, the promoter and promoter group of the Company have expressed their intention vide their letter dated September 24, 2016, to tender their Equity Shares in the Buyback. The Promoter and promoter group hereby intend to participate in the Buyback and offer up to an aggregate maximum number of 50,52,873 Equity Shares or such lower number of Equity Shares depending up on the response received in the buyback from the public shareholders and subject to the combined shareholding of the promoter and promoter group remaining at least 60% of the post buyback total paid up equity capital to the extent possible.

Please see below the break-up of the aggregate maximum number of Equity Shares intended to be tendered by each of the Promoter and Promoter Group in the Buyback.

Sr. No.	Name of the Promoter and Promoter Group entity	Maximum Number of Equity Shares intended to be tendered
1.	Adishwar Enterprises LLP	16,55,549
2.	Devakar Investment and Trading Company Private Limited	7,20,561
3.	Mahavir Spinning Mills Private Limited	13,984
4.	Srestha Holdings Private Limited	21,941
5.	Santon Finance and Investment Company Limited	64,498
6.	Flamingo Finance and Investment Company Limited	75,328
7.	Ramaniya Finance and Investment Company Limited	59,961
8.	Anklesh Investments Private Limited	45,740
9.	Pradeep Mercantile Company Private Limited	13,238
10.	Plaza Trading Company Private Limited	107
11.	Marshall Investment and Trading Company Private Limited	69,844
12.	Syracuse Investment and Trading Company Private Limited	3,862
13.	S.P. Oswal	84,464
14.	Shakun Oswal	19,591

15.	Sachit Jain	5,103
16.	Suchita Jain	34,546
17.	Soumya Jain	1,017
18.	Sagrika Jain	987
19.	Ambar Syndicate	11,003
20.	Paras Syndicate	11,678
21.	Northern Trading Company	10,531
22.	Eastern Trading Company	7,531
23.	Vardhman Holdings Limited	19,77,150
24.	VTL Investments Limited	1,44,659
	<b>Total</b>	<b>50,52,873</b>

*Note: Srestha Holdings Private Limited, Anklesh Investments Private Limited, Pradeep Mercantile Company Private Limited, Plaza Trading Company Private Limited, Marshall Investment and Trading Company Private Limited and Syracuse Investment and Trading Company Private Limited are currently undergoing amalgamation with Devakar Investment and Trading Company Private Limited. In the event the amalgamation is completed prior to the Record Date, the maximum number of equity shares intended to be tendered by Devakar Investment and Trading Company Private Limited shall be 875,293 equity shares.*

*Details of the date and price of acquisition of the Equity Shares that promoters intend to tender are set-out below:*

<b>ADISHWAR ENTERPRISES LLP</b>				
<b>Date of purchase</b>	<b>Number of shares</b>	<b>Nominal Value</b>	<b>Issue Price / Transfer price</b>	<b>Nature of Transaction</b>
27-Jul-78	42,542	10	4.72	Allotment on demerger
07-Aug-82	3,103	10	12.13	Allotment on demerger
31-Mar-83	83,862	10	-	Allotment on demerger
31-Mar-83	79,600	10	-	Allotment on demerger
31-Mar-83	63,100	10	-	Allotment on demerger
16-Jun-83	3,103	10	-	Allotment on demerger
16-Jun-83	2,792	10	-	Allotment on demerger
16-Jun-83	3,354	10	-	Allotment on demerger
16-Jun-83	3,184	10	-	Allotment on demerger
16-Jun-83	3,354	10	12.13	Allotment on demerger
16-Jun-83	2,524	10	-	Allotment on demerger
01-Aug-84	3,456	10	3.52	Allotment on demerger
30-Nov-84	600	10	10.44	Allotment on demerger
06-Dec-84	400	10	9.43	Allotment on demerger
21-Jan-85	776	10	12.77	Allotment on demerger
21-Jan-85	800	10	13.11	Allotment on demerger
23-Jan-85	520	10	12.99	Allotment on demerger
23-Jan-85	520	10	13.07	Allotment on demerger
12-Feb-85	2,200	10	12.96	Allotment on demerger



21-Feb-85	520	10	13.07	Allotment on demerger
01-Mar-85	400	10	12.87	Allotment on demerger
29-Mar-85	592	10	12.88	Allotment on demerger
30-Nov-88	240	10	37.24	Allotment on demerger
22-Nov-94	1,41,370	10	-	Allotment on demerger
28-Sep-95	6,526	10	-	Allotment on demerger
28-Sep-95	1,76,803	10	-	Allotment on demerger
21-Dec-98	40	10	41.97	Allotment on demerger
24-Mar-99	13,120	10	38.6	Allotment on demerger
26-Mar-99	680	10	44.7	Allotment on demerger
06-Dec-99	240	10	44.1	Allotment on demerger
08-Nov-00	10,674	10	4.72	Allotment on demerger
19-Nov-05	3,25,497	10	-	Bonus
19-Nov-05	6,79,057	10	-	Bonus
<b>Total</b>	<b>16,55,549</b>			

**DEVAKAR INVESTMENT AND TRADING COMPANY PRIVATE LIMITED**

<b>Date of purchase</b>	<b>Number of shares</b>	<b>Nominal Value</b>	<b>Issue Price / Transfer price</b>	<b>Nature of Transaction</b>
16-Jul-82	54,429	10	-	Bonus
16-Sep-82	600	10	-	Bonus
26-Feb-91	5,000	10	-	Bonus
26-Feb-91	5,000	10	-	Bonus
26-Feb-91	5,000	10	-	Bonus
26-Feb-91	1,550	10	-	Bonus
26-Feb-91	50	10	-	Bonus
26-Feb-91	1,500	10	-	Bonus
26-Feb-91	5,000	10	-	Bonus
26-Feb-91	7,500	10	-	Bonus
26-Feb-91	5,000	10	-	Bonus
26-Feb-91	5,500	10	-	Bonus
26-Feb-91	10,000	10	-	Bonus
26-Feb-91	1,950	10	-	Bonus
26-Feb-91	2,550	10	-	Bonus
26-Feb-91	300	10	-	Bonus
26-Feb-91	5,000	10	-	Bonus
26-Feb-91	5,000	10	-	Bonus
26-Feb-91	5,000	10	-	Bonus
26-Feb-91	1,100	10	-	Bonus
26-Feb-91	5,000	10	-	Bonus
26-Feb-91	7,450	10	-	Bonus
26-Feb-91	10	10	-	Bonus
26-Feb-91	1,000	10	-	Bonus

03-Dec-94	4,60,000	10	-	Bonus
03-Dec-94	5,000	10	-	Bonus
03-Dec-94	5,000	10	-	Bonus
03-Dec-94	4,800	10	-	Bonus
03-Dec-94	5,000	10	-	Bonus
03-Dec-94	5,000	10	-	Bonus
03-Dec-94	2,850	10	-	Bonus
03-Dec-94	33	10	-	Bonus
05-Dec-94	4,967	10	-	Bonus
16-Sep-83	50	10	18.61	purchase
03-Dec-94	500	10	-	Bonus
14-Jun-05	41,920	10	-	Allotment on demerger
19-Nov-05	44,952	10	-	Bonus
<b>Total</b>	<b>7,20,561</b>			

**MAHAVIR SPINNING MILLS PRIVATE LIMITED**

Date of purchase	Number of shares	Nominal Value	Issue Price / Transfer price	Nature of Transaction
24-Mar-99	5,772	10	45.92	purchase
24-Mar-99	1,326	10	45.92	Allotted on demerger
19-Nov-05	3,549	10	-	Bonus
31-May-13	1,856	10	264.72	purchase
03-Jun-13	250	10	265.84	purchase
03-Jun-13	700	10	265.86	purchase
04-Jun-13	531	10	267.9	purchase
<b>Total</b>	<b>13,984</b>			

**SRESTHA HOLDINGS PRIVATE LIMITED**

Date of purchase	Number of shares	Nominal Value	Issue Price / Transfer price	Nature of Transaction
26-Feb-91	4,680	10	-	Bonus
26-Feb-91	4,972	10	-	Bonus
05-Dec-94	12,289	10	-	Bonus
<b>Total</b>	<b>21,941</b>			

**SANTON FINANCE AND INVESTMENT COMPANY PRIVATE LIMITED**

Date of purchase	Number shares	Nominal Value	Issue Price / Transfer price	Nature of Transaction
26-Feb-91	26,300	10	-	Bonus
26-Feb-91	3,300	10	-	Bonus
05-Dec-94	34,898	10	-	Bonus
<b>Total</b>	<b>64,498</b>			

<b>FLAMINGO FINANCE AND INVESTMENT COMPANY LIMITED</b>				
<b>Date of purchase</b>	<b>Number of shares</b>	<b>Nominal Value</b>	<b>Issue Price / Transfer price</b>	<b>Nature of Transaction</b>
17-Oct-87	8	10	26.96	purchase
29-Feb-88	150	10	16.98	purchase
29-Feb-88	300	10	16.98	purchase
29-Feb-88	50	10	16.98	purchase
29-Feb-88	30	10	16.98	purchase
26-Feb-91	9,140	10	-	Bonus
26-Feb-91	4,972	10	-	Bonus
17-Feb-94	300	10	101.54	purchase
05-Dec-94	50	10	-	Bonus
05-Dec-94	40,200	10	-	Bonus
05-Dec-94	20,128	10	-	Bonus
<b>Total</b>	<b>75,328</b>			
<b>RAMANIYA FINANCE AND INVESTMENT COMPANY LIMITED</b>				
<b>Date of purchase</b>	<b>Number of shares</b>	<b>Nominal Value</b>	<b>Issue Price / Transfer price</b>	<b>Nature of Transaction</b>
26-Feb-91	14,964	10	-	Bonus
26-Feb-91	3,210	10	-	Bonus
07-Jul-94	17	10	101.54	purchase
05-Dec-94	41,770	10	-	Bonus
<b>Total</b>	<b>59,961</b>			
<b>ANKLESH INVESTMENTS PRIVATE LIMITED</b>				
<b>Date of purchase</b>	<b>Number of shares</b>	<b>Nominal Value</b>	<b>Issue Price / Transfer price</b>	<b>Nature of Transaction</b>
09-Feb-04	538	10	82.89	Allotment on demerger
19-Mar-04	1,528	10	85.93	Allotment on demerger
19-Mar-04	1,369	10	86.29	Allotment on demerger
19-Nov-05	1,717	10	-	Bonus
04-Dec-08	7,844	10	57.71	purchase
04-Dec-08	4,303	10	57.72	purchase
08-Dec-08	28,441	10	58.2	purchase
<b>Total</b>	<b>45,740</b>			
<b>PRADEEP MERCANTILE COMPANY PRIVATE LIMITED</b>				
<b>Date of purchase</b>	<b>Number of shares</b>	<b>Nominal Value</b>	<b>Issue Price / Transfer price</b>	<b>Nature of Transaction</b>
19-Nov-05	240	10	-	Bonus
22-Aug-12	12,998	10	227.17	purchase
<b>Total</b>	<b>13,238</b>			

PLAZA TRADING COMPANY PRIVATE LIMITED				
Date of purchase	Number of shares	Nominal Value	Issue Price / Transfer price	Nature of Transaction
09-Feb-04	107	10	83.22	Allotment on demerger
<b>Total</b>	<b>107</b>			
MARSHALL INVESTMENT AND TRADING COMPANY PRIVATE LIMITED				
Date of purchase	Number of shares	Nominal Value	Issue Price / Transfer price	Nature of Transaction
04-Oct-05	30,461	10	-	Bonus
14-Jun-05	400	10	-	Bonus
19-Nov-05	200	10	-	Bonus
01-Dec-08	24,086	10	57.54	Purchase
01-Dec-08	7,226	10	57.03	Purchase
14-Jan-09	1,209	10	59.15	Purchase
15-Jan-09	6,262	10	58.41	Purchase
<b>Total</b>	<b>69,844</b>			
SYRACUSE INVESTMENT AND TRADING COMPANY PRIVATE LIMITED				
Date of purchase	Number of shares	Nominal Value	Issue Price / Transfer price	Nature of Transaction
09-02-2004	929	10	84.33	Allotment on demerger
11-02-2004	440	10	83.9	Allotment on demerger
12-02-2004	2,493	10	87.43	Allotment on demerger
<b>Total</b>	<b>3,862</b>			
S.P.OSWAL				
Date of purchase	Number of shares	Nominal Value	Issue Price / Transfer price	Nature of Transaction
01-Apr-74	1	10	9.23	Allotment
29-Mar-76	2,800	10	9.23	Allotment
01-Apr-82	800	10	-	Bonus
16-Dec-82	800	10	-	Bonus
28-May-83	352	10	-	Bonus
12-Mar-94	11,968	10	-	Bonus
12-Mar-94	200	10	-	Bonus
12-Mar-94	40,000	10	-	Bonus
22-Nov-94	13,096	10	-	Bonus
30-Sep-95	14,447	10	-	Bonus
<b>Total</b>	<b>84,464</b>			
SHAKUN OSWAL				
Date of purchase	Number of shares	Nominal Value	Issue Price / Transfer price	Nature of Transaction
03-Dec-94	30	10	-	Bonus
03-Dec-94	11,000	10	-	Bonus



03-Dec-94	950	10	-	Bonus
19-Nov-05	5,990	10	-	Bonus
19-Nov-05	1,621	10	-	Bonus
<b>Total</b>	<b>19,591</b>			
<b>SACHIT JAIN</b>				
<b>Date of purchase</b>	<b>Number of shares</b>	<b>Nominal Value</b>	<b>Issue Price / Transfer price</b>	<b>Nature of Transaction</b>
06-Jun-94	1,640	10	-	Bonus
30-Sep-95	3,463	10	-	Bonus
<b>Total</b>	<b>5,103</b>			
<b>SUCHITA JAIN</b>				
<b>Date of purchase</b>	<b>Number of shares</b>	<b>Nominal Value</b>	<b>Issue Price / Transfer price</b>	<b>Nature of Transaction</b>
03-Dec-94	3,520	10	-	Allotment on demerger
03-Mar-97	80	10	-	Allotment on demerger
03-Mar-97	160	10	101.08	Allotment on demerger
07-Mar-97	11,066	10	-	Allotment on demerger
07-Mar-97	19,720	10	-	Allotment on demerger
<b>Total</b>	<b>34,546</b>			
<b>SOUMYA JAIN</b>				
<b>Date of purchase</b>	<b>Number of shares</b>	<b>Nominal Value</b>	<b>Issue Price / Transfer price</b>	<b>Nature of Transaction</b>
05-Jul-01	1,017	10	46.75	Purchase
<b>Total</b>	<b>1,017</b>			
<b>SAGRIKA JAIN</b>				
<b>Date of purchase</b>	<b>Number of shares</b>	<b>Nominal Value</b>	<b>Issue Price / Transfer price</b>	<b>Nature of Transaction</b>
05-Jul-01	987	10	46.56	Purchase
<b>Total</b>	<b>987</b>			
<b>AMBAR SYNDICATE</b>				
<b>Date of purchase</b>	<b>Number of shares</b>	<b>Nominal Value</b>	<b>Issue Price / Transfer price</b>	<b>Nature of Transaction</b>
01-Apr-82	2,950	10	-	Bonus
01-Apr-82	10	10	-	Bonus
26-Feb-91	400	10	-	Bonus
26-Feb-91	200	10	-	Bonus
26-Feb-91	3,000	10	-	Bonus
26-Feb-91	1,904	10	-	Bonus
22-Feb-91	1,509	10	101.54	Purchase
03-Dec-94	1,030	10	-	Bonus
<b>Total</b>	<b>11,003</b>			

<b>PARAS SYNDICATE</b>				
<b>Date of purchase</b>	<b>Number of shares</b>	<b>Nominal Value</b>	<b>Issue Price / Transfer price</b>	<b>Nature of Transaction</b>
01-Apr-82	100	10	-	Bonus
01-Apr-82	1,200	10	-	Bonus
01-Apr-82	1,700	10	-	Bonus
26-Feb-91	3,960	10	-	Bonus
22-Feb-94	2,540	10	101.54	Purchase
03-Dec-94	2,178	10	-	Bonus
<b>Total</b>	<b>11,678</b>			
<b>NORTHERN TRADING COMPANY</b>				
<b>Date of purchase</b>	<b>Number of shares</b>	<b>Nominal Value</b>	<b>Issue Price / Transfer price</b>	<b>Nature of Transaction</b>
16-May-05	9,600	10	-	Allotment on demerger
16-May-05	931	10	-	Allotment on demerger
<b>Total</b>	<b>10,531</b>			
<b>EASTERN TRADING COMPANY</b>				
<b>Date of purchase</b>	<b>Number of shares</b>	<b>Nominal Value</b>	<b>Issue Price / Transfer price</b>	<b>Nature of Transaction</b>
16-May-05	7,531	10	-	Allotment on demerger
<b>Total</b>	<b>7,531</b>			
<b>VARDHMAN HOLDINGS LIMITED</b>				
<b>Date of purchase</b>	<b>Number of shares</b>	<b>Nominal Value</b>	<b>Issue Price / Transfer price</b>	<b>Nature of Transaction</b>
08-Oct-73	6	10	10	Allotment
10-Nov-75	5,99,989	10	10	Allotment
02-Jan-76	1,99,150	10	10	Allotment
23-Dec-78	34,350	10	10	Allotment
10-Jan-81	50,000	10	10	Allotment
16-Jul-82	10	10	-	Bonus
16-Jul-82	2,59,998	10	-	Bonus
26-Feb-91	22,500	10	-	Bonus
26-Feb-91	26,350	10	-	Bonus
26-Feb-91	31,350	10	-	Bonus
26-Feb-91	13,250	10	-	Bonus
26-Feb-91	14	10	-	Bonus
26-Feb-91	3,63,997	10	-	Bonus
03-Dec-94	1,75,000	10	-	Bonus
03-Dec-94	2,01,186	10	-	Bonus
<b>Total</b>	<b>19,77,150</b>			
<b>VTL INVESTMENTS LIMITED</b>				
<b>Date of purchase</b>	<b>Number of shares</b>	<b>Nominal Value</b>	<b>Issue Price / Transfer price</b>	<b>Nature of Transaction</b>

24-Sep-02	1,44,659	10	43.9	Allotment on demerger
<b>Total</b>	<b>1,44,659</b>			

**\* Allotment on demerger:**

Consequent to the Scheme of Arrangement and Demerger between Vardhman Holdings Limited (erstwhile 'Vardhman Spinning & General Mills Limited') and Vardhman Textiles Limited (erstwhile 'Mahavir Spinning Mills Limited'), the textile business of Vardhman Holdings Limited (VHL) got de-merged and was vested with Vardhman Textiles Limited (VTXL) w.e.f. 1st April, 2004. Consequently, the shareholders of VHL received shares of VTXL in lieu of shares of VHL.

- i) The Company confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.
- j) The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:
- That immediately following the date of the Board Meeting held on 24<sup>th</sup> September, 2016 and the date on which the results of the Postal Ballot will be declared, there will be no grounds on which the Company can be found unable to pay its debts;
  - That as regards the Company's prospects for the year immediately following the date of the board meeting as well as the year immediately following the date on which the results of the Postal Ballot will be declared, approving the Buyback and having regards to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the board meeting approving the Buyback or within a period of one year from the date on which the results of the Postal Ballot will be declared, as the case may be;
  - In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act.
- k) Report addressed to the Board of Directors by the Company's Auditors on the permissible capital payment and the opinion formed by directors regarding insolvency:
- The text of the Report dated September 24, 2016 received from S.C. Vasudeva and Company, Chartered Accountants the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

**Quote**

To,  
The Board of Directors  
Vardhman Textiles Ltd  
Chandigarh Road, Ludhiana,  
Punjab, 141010

Dear Sirs,

**Re: Proposed Buyback of Equity Shares**

In connection with the proposed Buyback of Equity Shares by Vardhman Textiles Limited (the '**Company**') as approved by the Board of Directors at its meeting held on 24<sup>th</sup> September, 2016, in pursuance of the provisions of Section 68 of the Companies Act, 2013 ("the **Act**") and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 (the "**Buyback Regulations**"); and based on the information and explanations given to us which were to the best of our knowledge and belief necessary for this purpose, we report that:

- We have enquired into the state of affairs of the Company in relation to its audited accounts for the year ended March 31, 2016.
- The amount of permissible capital payment (including premium) for the proposed buy back of equity shares as computed in the table below is properly determined in our view in accordance with Section 68(2) of the Act. The amounts of share capital and free reserves have been extracted from the audited financial statements of the Company for the year ended March 31, 2016.

Particulars as on March 31, 2016		Amount (Rs. in crores)	
Paid up capital Equity shares of Rs. 10/- each)	A		<b>63.65</b>
Free Reserves:			

Profit and loss account balance		1,512.51	
Securities Premium		209.90	
General reserve		1,863.02	
Total Free Reserves	B		<b>3,585.43</b>
Total paid up capital and free reserves	A+B		<b>3,649.08</b>
Maximum amount permissible under the Act/ Buyback Regulations with Shareholder approval :- 25% of total paid up equity capital and free reserves, if the buyback is carried through tender offer route (in accordance with Chapter IV of the Buyback Regulations and section 68(2)(c) of the Act)			<b>912.27</b>
Maximum amount permitted by Board Resolution dated 24 <sup>th</sup> September, 2016 approving Buyback, subject to shareholder approval, based on the audited accounts for the year ended March 31, 2016.			<b>720.00</b>

3. The Board of Directors of the Company, in their meeting held on 24<sup>th</sup> September, 2016 have formed their opinion as specified in clause (x) of Schedule I to the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date.

We have not performed an audit, the objective of which would be the expression of an opinion on the specified elements, accounts or items thereof, for the purpose of this report. Accordingly we do not express such opinion.

This report has been issued at the request of the Company solely for use of the Company in relation to filling information with the explanatory statement to the notice for special resolution and in connection with the proposed buyback of equity shares of the Company and may not be suitable for any other purpose.

**Date:** 24th September, 2016

**Place:** Ludhiana

For S.C. Vasudeva and Company  
Chartered Accountants  
Firm Regn. No. 00235N  
Sanjiv Mohan  
Partner  
086066

#### **Unquote**

##### **I) General obligations of the Company as per the provisions of the Buy-back Regulations and the Act:**

- i. The Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback;
- ii. The Company shall not raise further capital for a period of one year from the closure of Buyback offer except in discharge of its subsisting obligations;
- iii. The special resolution approving the Buyback will be valid for a maximum period of one year from the date of passing of the said special resolution (or such extended period as may be permitted under the Companies Act or the Buy-back Regulations or by the appropriate authorities). The exact time table for the Buyback shall be decided by the Board (or its duly constituted Committee) within the above time limits;
- iv. The equity shares bought back by the Company will be compulsorily cancelled and will not be held for re-issuance;
- v. The Company shall not withdraw the Buyback after the public announcement of the offer to Buyback is made;
- vi. The Company shall not buyback locked-in equity shares and non transferable equity shares till the pendency of the lock-in or till the equity shares become transferable; and
- vii. The directors, managers, key managerial personnel of the Company and their respective relatives do not have any interest, financial or otherwise, in the proposed resolution for Buyback of equity shares, except to the extent of their shareholding.
- viii. For any clarifications related to the Buyback process, Members holding equity shares of the Company may contact any one of the following:
  1. Company: Vardhman Textiles Limited  
Contact Person: Karan Kamal Walia, Company Secretary & Compliance  
Tel: 0161-2228943-48 ; Email: kwalia@vardhman.com  
Kotak Mahindra Capital Company (Manager to the Buyback):  
Contact Person: Mr. Ganesh Rane, Tel: +91-22-43360128; Fax : +91-22-67132445;  
Email: projectvardhmanbuyback@kotak.com



All the material documents referred to in the Notice and Explanatory Statement such as the Memorandum and Articles of Association of the Company, relevant Board resolution for the Buyback, the Auditors Report dated September 24, 2016 and the audited accounts for the period from April 1, 2015 to March 31, 2016 are available for inspection by the Members of the Company at its Registered Office on any working day between 10:30 a.m. to 12:30 p.m. up to the last date of receipt of Postal Ballot Form specified in the accompanying Notice.

In the opinion of the Board, the proposal for Buyback is in the interest of the Company and its Members holding Equity Shares of the Company. The Directors, therefore, recommend passing of the Special Resolution as set out in the accompanying Notice.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives are in anyway, concerned or interested, either directly or indirectly in passing of the said resolution, save and except to the extent of their shareholding in the Company.

**By Order of the Board of Directors  
For Vardhman Textiles Limited**

**(Karan Kamal Walia)**  
**Company Secretary**  
**Place: Ludhiana**  
**Date: 24<sup>th</sup> September, 2016**