



## PUBLIC ANNOUNCEMENT

### FOR THE ATTENTION OF THE SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF VARDHMAN TEXTILES LIMITED

This Public Announcement (the "Public Announcement") is being made pursuant to the provisions of Regulation 8(1) of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (the "Buy-back Regulations") for the time being in force including any statutory modifications and amendments from time to time and contains the disclosures as specified in Part A of Schedule II to the Buy-back Regulations.

**OFFER FOR BUYBACK OF UP TO 62,60,869 FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF Rs. 10/- EACH ("EQUITY SHARES") AT A PRICE OF Rs. 1,150/- (RUPEES ONE THOUSAND ONE HUNDRED FIFTY ONLY) PER FULLY PAID-UP EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS.**

#### 1 THE BUYBACK OFFER

1.1. The Board of Directors (hereinafter referred to as the "Board", which expression includes the Buyback Committee constituted by the Board to exercise its powers), of Vardhman Textiles Limited ("Vardhman" or "the Company"), at its meeting held on 24th September, 2016 ("Board Meeting") approved the proposal for the buyback of Equity Shares at a price not exceeding Rs. 1,175/- (Rupees One Thousand One Hundred Seventy Five only) per Equity Share (the "Maximum Buyback Price") up to an aggregate amount not exceeding Rs. 720 crores/- (Rupees Seven Hundred Twenty Crores only) ("Maximum Buyback Size"), being less than 25% of the total paid-up equity capital and free reserves of the Company as per latest standalone audited balance sheet as on March 31, 2016) from the shareholders ("Shareholders") of the Company on a proportionate basis through a tender offer in accordance with the provisions of the Companies Act, 2013 ("Companies Act") and, the Companies (Share Capital and Debentures) Rules, 2014 (the "Share Capital Rules"), the Companies (Management and Administration) Rules, 2014 (the "Management Rules") and in compliance with the Buy-back Regulations ("Buyback" or "Buyback Offer"). The Shareholders of the Company approved the Buyback of the Company's fully paid-up Equity Shares from the existing shareholders / beneficial owners, on a proportionate basis, through the tender offer process pursuant to Article 82 of the Articles of Association of the Company and in accordance with provisions of the Companies Act, the Share Capital Rules, the Management Rules and the Buy-back Regulations, by way of a special resolution, through the postal ballot ("Postal Ballot"), the results of which were announced on 24th November 2016 ("Shareholders' Approval"). The Buyback Price per Equity Share and the Buyback Size do not include transaction costs including brokerage costs, securities transaction taxes, service tax, and stamp duty ("Transaction Costs"). The Buyback is subject to receipt of any approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, including the Securities and Exchange Board of India ("SEBI"), and the stock exchanges on which the Equity Shares are listed, namely, the National Stock Exchange of India Limited ("NSE"), the BSE Limited ("BSE") (together with NSE the "Stock Exchanges").

1.2. Pursuant to the Shareholders' approval, the Committee at its meeting held on November 25, 2016 has determined the final Buy-back Price of Rs. 1,150/- (Rupees One Thousand One Hundred Fifty Only) ("Buyback Price") and the final aggregate amount for Buyback to be Rs. 719,99,99,350/- (Rupees Seven Hundred Nineteen Crores Ninety Nine Lacs Ninety Nine Thousand Three Hundred Fifty Only) ("Buyback Size") excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc., which is 19.73% of the total paid-up equity capital and free reserves as per the standalone audited accounts of the Company for the financial year ended March 31, 2016. With the Buy-back Price of Rs. 1,150/- and Buyback Size of Rs. 719,99,99,350/-, the total number of shares to be bought back in the Buyback shall be 62,60,869 Equity Shares, representing 9.84% of the total issued and paid-up equity capital of the Company.

1.3. The Buyback shall be undertaken on a proportionate basis from the Shareholders as of December 9, 2016 (the "Record Date") through the tender offer process prescribed under Regulation 4(1)(a) of the Buy-back Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 (the "SEBI Circular").

1.4. In terms of the Buy-back Regulations, under tender offer route, the promoter and promoter group have the option to participate in the Buyback. In this regard, promoter and promoter group have informed the Company vide their letter dated 24th September, 2016 regarding their intention to participate in the Buyback. The extent of their participation in the Buyback has been detailed in clause 6.3 of this announcement.

1.5. The Buyback Price of Rs. 1,150/- (One Thousand One Hundred Fifty only) per Equity Share represents (i) a premium of 15.90% and 15.48% 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 (ii) a premium of 16.11% and 14.61% 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.

1.6. The aggregate paid-up share capital and free reserves of the Company as on March 31, 2016 was Rs. 3,649.08 crores and under the provisions of the Act, the funds deployed for Buyback shall not exceed 25% of the paid-up capital and free reserves of the Company under shareholder approval route. Accordingly, the maximum amount that can be utilised in the present Buyback is Rs. 912.27 crores. The aggregate amount proposed to be utilised for the Buyback is Rs. 719,99,99,350/- (Rupees Seven Hundred Nineteen Crores Ninety Nine Lacs Ninety Nine Thousand Three Hundred Fifty only), which is within the maximum amount as aforesaid.

1.7. Further, under the Companies Act, the number of equity shares that can be bought back during the financial year shall not exceed 25% of the paid-up equity shares of the Company. Accordingly, the number of equity shares that can be bought back during the financial year cannot exceed 15,912,970 equity shares being 25% of 63,651,879 equity shares of face value of Rs. 10/- each. Since the Company proposes to buyback up to 6,260,869 equity shares, the same is within the aforesaid 25% limit.

1.8. Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the Promoter in the Company may increase or decrease from the existing shareholding of the total equity capital and voting rights of the Company. The Promoter of the Company is already in control over the Company and therefore such further increase in voting rights of the promoter will not result in any change in control over the Company.

1.9. A copy of this Public Announcement is expected to be available on the Securities and Exchange Board of India ("SEBI") website [www.sebi.gov.in](http://www.sebi.gov.in) during the period of the Buyback.

#### 2 NECESSITY AND BASIS FOR BUYBACK

The Board of the Company, at its meeting held on 24th 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 at a price not exceeding Rs. 1,175/- (Rupees One Thousand One Hundred Seventy Five only) per equity share for an aggregate consideration of up to Rs. 720 Crores (Rupees Seven Hundred Twenty Crores Only).

Subsequently, the Buyback Committee in its meeting held on November 25, 2016 decided the final price at Rs. 1,150/- (Rupees One Thousand One Hundred Fifty Only) per equity share for an aggregate consideration of up to Rs. 719,99,99,350 (Rupees Seven Hundred Nineteen Crores Ninety Nine Lacs Ninety Nine Thousand Three Hundred Fifty) for the buyback of 62,60,869 equity shares.

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:

- 2.1 Distribution of surplus funds to the members holding equity shares broadly in proportion to their shareholding, thereby, enhancing the overall return to members;
- 2.2 Enhancing shareholders' confidence;
- 2.3 Achieving optimal capital structure;
- 2.4 Mitigating the short term market volatility
- 2.5 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";
- 2.6 The Buyback would help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value;
- 2.7 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.

#### 3 MAXIMUM AMOUNT REQUIRED UNDER THE BUYBACK

The maximum amount required under the Buyback would not exceed Rs. 719,99,99,350/- (Rupees Seven Hundred Nineteen Crores Ninety Nine Lacs Ninety Nine Thousand Three Hundred Fifty 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.

#### 4 MAXIMUM PRICE FOR BUYBACK OF THE EQUITY SHARES

The Equity Shares are proposed to be bought back at a price of Rs. 1,150/- (Rupees One Thousand One Hundred Fifty only). The Buy-back Price has been arrived at after considering many factors, including, but not limited to the trends in the volume weighted average prices of the Equity Shares of the Company on the BSE and NSE i.e. the Stock Exchanges where the Equity Shares of the Company are listed during last three months and two weeks, the net worth of the Company, price earnings ratio and impact on other financial parameters and the possible impact of Buyback on the earnings per share.

The Buy-back Price represents a premium of 15.90% and 15.48% over the volume weighted average price of the Equity Shares on BSE and on NSE respectively for 3 months preceding September 20, 2016 (the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback) and 16.11% and 14.61% over the volume weighted average price of the Equity Shares on BSE and on NSE, respectively for 2 weeks preceding September 20, 2016 (the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback).

#### 5 MAXIMUM NUMBER OF SHARES THAT THE COMPANY PROPOSES TO BUYBACK AND TIMELINES

The Company proposes to buyback up to 62,60,869 Equity Shares representing up to 9.84% of the total issue and paid up equity capital of the Company.

The Buyback is proposed to be completed within 12 months of the date of special resolution approving the proposed Buyback.

#### 6 DETAILS OF PROMOTER SHAREHOLDING AND INTENTION TO PARTICIPATE IN THE BUYBACK

6.1 The aggregate shareholding of the promoter group who are in control of the Company is as under:

Sr. No	Name of Shareholder	No. of Shares held	Percentage
1	Paras Syndicate	91,552	0.14
2	Northern Trading Co	82,560	0.13
3	Ambar Syndicate	86,255	0.14
4	Eastern Trading Co	59,040	0.09
5	Sagnika 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	11,34,000	1.78
13	Vardhman Holdings Ltd	1,54,99,123	24.35
14	Mahavir Spinning Mills Pvt Ltd	1,09,628	0.17
15	Syracuse Investment & Trading Co Pvt Ltd	30,280	0.05
16	Srestha Holdings Pvt Ltd	1,72,005	0.27
17	Flamingo Finance and Investment Co Pvt Ltd	5,90,513	0.93
18	Devakar Investment & Trading Co Pvt Ltd	56,48,566	8.87
19	Pradeep Mercantile Co Pvt Ltd	1,03,782	0.16
20	Plaza Trading Co Pvt Ltd	840	0.00
21	Santon Finance & Investment Co Ltd	5,05,609	0.79
22	Ramaniya Finance & Investment Co Ltd	4,70,046	0.74
23	Marshall Investments & 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>

Note: The entities Srestha Holdings Pvt. Ltd, Anklesh Investments Pvt. Ltd, Pradeep Mercantile Co. Pvt. Ltd, Plaza Trading Co. Pvt. Ltd, Marshall Investment & Trading Co. Pvt. Ltd and Syracuse Investment & Trading Co. Pvt. Ltd ("Transferor Companies") have been amalgamated with Devakar Investment & Trading Co. Pvt. Ltd. ("Transferee Company"), effective 5th Oct 2016. However the process of placing the shares into the Transferee Company's account is underway.

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  
6.2 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 twelve months preceding the date of the Board Meeting at which the Buyback was approved and from the date of the Board Meeting till the date of this Public Announcement, except for the following transactions:

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.)*
<b>VARDHMAN HOLDINGS LIMITED</b>							
14.12.2015	735	Open market	750.90	14.12.2015	747.65	14.12.2015	749.41
15.12.2015	2,129	Open market	778.50	15.12.2015	762.00	15.12.2015	765.54
16.12.2015	16,694	Open market	806.30	16.12.2015	771.95	16.12.2015	796.01
17.12.2015	20,940	Open market	819.00	17.12.2015	793.65	17.12.2015	812.31
18.12.2015	854	Open market	820.10	18.12.2015	811.05	18.12.2015	817.09
28.12.2015	15,294	Open market	829.95	28.12.2015	811.85	28.12.2015	824.86
19.12.2015	9,178	Open market	834.65	29.12.2015	824.9	29.12.2015	830.88
30.12.2015	4,831	Open market	835.50	30.12.2015	820.00	30.12.2015	827.77
31.12.2015	9,547	Open market	836.65	31.12.2015	822.80	31.12.2015	831.68
25.02.2016	1,095	Open market	752.90	25.02.2016	740.00	25.02.2016	748.98
30.05.2016	5,000	Open market	850.00	30.05.2016	841.50	30.05.2016	847.89
31.05.2016	5,000	Open market	850.35	31.05.2016	838.00	31.05.2016	847.73
01.06.2016	5,000	Open market	850.00	01.06.2016	845.00	01.06.2016	847.87
02.06.2016	228	Open market	846.65	02.06.2016	845.50	02.06.2016	846.08
<b>ADISHWAR ENTERPRISES LLP</b>							
25.02.2016	243	Open market	750.00	25.02.2016	747.25	25.02.2016	749.27
26.02.2016	30,000	Open market	752.00	26.02.2016	748.00	26.02.2016	750.39
<b>ANKLESH INVESTMENTS PVT LTD</b>							
25.02.2016	1,065	Open market	748.90	25.02.2016	748.80	25.02.2016	748.88
<b>MARSHALL INVESTMENT &amp; TRADING CO PVT LTD</b>							
25.02.2016	2,000	Open market	750.00	25.02.2016	746.00	25.02.2016	748.43
<b>SYRACUSE INVESTMENT &amp; TRADING CO PVT LTD</b>							
25.02.2016	2,665	Open market	750.00	25.02.2016	747.00	25.02.2016	749.57
<b>DEVAKAR INVESTMENT &amp; TRADING CO PVT LTD</b>							
26.02.2016	80,316	Open market	755.00	26.02.2016	739.20	26.02.2016	748.86
29.02.2016	27,363	Open market	760.00	29.02.2016	743.70	29.02.2016	752.43

\*Excluding Brokerage and other transaction costs

Note: The entities Srestha Holdings Pvt. Ltd, Anklesh Investments Pvt. Ltd, Pradeep Mercantile Co. Pvt. Ltd, Plaza Trading Co. Pvt. Ltd, Marshall Investment & Trading Co. Pvt. Ltd and Syracuse Investment & Trading Co. Pvt. Ltd ("Transferor Companies") have been amalgamated with Devakar Investment & Trading Co. Pvt. Ltd. ("Transferee Company"), effective 5th Oct 2016. However the process of placing the shares into the Transferee Company's account is underway.

6.3 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 & Trading Co Pvt Ltd	7,20,561
3.	Mahavir Spinning Mills Pvt. Ltd	13,984
4.	Srestha Holdings Pvt. Ltd	21,941
5.	Santon Finance & Investment Co Ltd	64,498
6.	Flamingo Finance & Investment Co Ltd	75,328
7.	Ramaniya Finance & Investment Co Ltd	59,961
8.	Anklesh Investments Pvt. Ltd	45,740
9.	Pradeep Mercantile Co. Pvt. Ltd	13,238
10.	Plaza Trading Co Pvt. Ltd	107
11.	Marshall Investment & Trading Co Pvt. Ltd	69,844
12.	Syracuse Investment & Trading Co Pvt. Ltd	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.	Sagnika Jain	987
19.	Ambar Syndicate	11,003
20.	Paras Syndicate	11,678
21.	Northern Trading Co	10,531
22.	Eastern Trading Co	7,531
23.	Vardhman Holdings Ltd	19,77,150
24.	VTL Investments Ltd	1,44,659
	<b>Total</b>	<b>50,52,873</b>

Note: The entities Srestha Holdings Pvt. Ltd, Anklesh Investments Pvt. Ltd, Pradeep Mercantile Co. Pvt. Ltd, Plaza Trading Co. Pvt. Ltd, Marshall Investment & Trading Co. Pvt. Ltd and Syracuse Investment & Trading Co. Pvt. Ltd ("Transferor Companies") have been amalgamated with Devakar Investment & Trading Co. Pvt. Ltd. ("Transferee Company"), effective 5th Oct 2016. However the process of placing the shares into the Transferee Company's account is underway. Based on the status of the process, Devakar Investment & Trading Co. Pvt. Ltd. may cumulatively tender the shares in the Buyback or the shares may be tendered from the respective folios of the Transferor Companies and Transferee Company as mentioned above.

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

Date of purchase	Number of shares	Nominal Value	Issue Price/ Transfer price	Nature of Transaction
27-Jul-78	42,542	10	4.72	Purchase
07-Aug-82	3,103	10	12.13	Allotment on demerger
31-Mar-83	2,26,562	10	-	Allotment on demerger
16-Jun-83	14,957	10	-	Allotment on demerger
16-Jun-83	3,354	10	12.13	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	1,83,329	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
04-Oct-05	10,04,554	10	-	Bonus
	<b>Total</b>	<b>16,55,549</b>		
<b>DEVAKAR INVESTMENT &amp; TRADING CO PVT. LTD</b>				
Date of purchase	Number of shares	Nominal Value	Issue Price/ Transfer price	Nature of Transaction
16-Jul-82	55,029	10	-	Bonus
16-Sep-83	50	10	18.61	Purchase
26-Feb-91	85,460	10	-	Bonus
03-Dec-94	4,93,150	10	-	Bonus
14-Jun-05	41,920	10	-	Allotment on demerger
04-Oct-05	44,952	10	-	Bonus
	<b>Total</b>	<b>7,20,561</b>		
<b>MAHAVIR SPINNING MILLS PVT. LTD</b>				
Date of purchase	Number of shares	Nominal Value	Issue Price/ Transfer price	Nature of Transaction
24-Mar-99	5,772	10	45.92	Purchase
03-Feb-00	1,326	10	45.92	Allotment on demerger
04-Oct-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

Note: The entities Srestha Holdings Pvt. Ltd, Anklesh Investments Pvt. Ltd, Pradeep Mercantile Co. Pvt. Ltd, Plaza Trading Co. Pvt. Ltd, Marshall Investment & Trading Co. Pvt. Ltd and Syracuse Investment & Trading Co. Pvt. Ltd ("Transferor Companies") have been amalgamated with Devakar Investment & Trading Co. Pvt. Ltd. ("Transferee Company"), effective 5th Oct 2016. However the process of placing the shares into the Transferee Company's account is underway. Based on the status of the process, Devakar Investment & Trading Co. Pvt. Ltd. may cumulatively tender the shares in the Buyback or the shares may be tendered from the respective folios of the Transferor Companies and Transferee Company as mentioned above

**\*Allotment on demerger:**

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

- 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.
- 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 24th 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 regard to the Board's intentions 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.
- The text of the Report dated 24th September, 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 24th 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 (Buyback 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	A	63.65
Equity shares of Rs. 10/- each)		
Free Reserves:		
Profit and loss account balance		1,512.51
Securities Premium		209.90
General reserve		1,863.02
Total Free Reserves	B	3,585.43
Total paid up capital and free reserves	A+B	3,649.08
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 III of the Buyback Regulations and section 68(2)(c) of the Act)		912.27
Maximum amount permitted by Board Resolution dated 24th September, 2016 approving Buyback, subject to shareholder approval, based on the audited accounts for the year ended March 31, 2016.		720.00

- The Board of Directors of the Company, in their meeting held on 24th 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 & Co.  
Chartered Accountants  
Firm Regn.No.00235N  
Sanjiv Mohan  
Partner  
086066

**Unquote**

- As required under the Act, the ratio of the debt owed by the Company would not be more than twice the share

capital and free reserves after the Buyback.

**11 RECORD DATE AND SHAREHOLDER ENTITLEMENT**

- As required under the Buy-back Regulations, the Company has fixed December 9, 2016 as the Record Date for the purpose of determining the entitlement and the names of the Shareholders, who will be eligible to participate in the Buyback. The Equity Shares proposed to be bought back by the Company shall be divided into 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 BSE or NSE (as applicable, contingent on highest trading volume in respect of Equity Shares as on Record Date), of not more than Rs. 200,000/- (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 shareholding as on the Record Date, the Company will determine the entitlement of each shareholder to tender their Equity 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.
- After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by Shareholders in that category, and thereafter from Shareholders who have tendered over and above their entitlement in other category.
- Shareholders' participation in Buyback will be voluntary. Shareholders can choose to participate, in part or in full and get cash in lieu of Equity Shares 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. Shareholders may also accept a part of their entitlement. Shareholders 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 Shareholders as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in Buy-back Regulations.
- 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 Shareholders as on the Record Date.

**12 PROCESS AND METHODOLOGY FOR BUYBACK**

- The Buyback is open to all Shareholders/beneficial owners of the Company holding Equity Shares either in physical and/or dematerialized form on the Record Date.
- The Buyback shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI Circular ("**Stock Exchange Mechanism**") and following the procedure prescribed in the Companies Act and the Buy-back Regulations and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

For implementation of the Buyback, the Company has appointed Kotak Securities Limited as the registered broker to the Company (the "**Company's Broker**") to facilitate the process of tendering of Equity Shares through Stock Exchange Mechanism for the Buyback as described in paragraphs 12.6 and 12.7. In the tendering process, the Company's Broker may also process the orders received from the Shareholders. The contact details of the Company's Broker are as follows:



**Kotak Securities Limited**  
27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E),  
Mumbai 400051  
Contact Person: Ms. Naaz Khan, Tel: +91 22 3030 5757,  
Email: Naaz.Khan@kotak.com  
Ms. Purnima Mirani, Tel: +91 22 4285 8164,  
Email: Purnima.Mirani@kotak.com, Website: www.kotaksecurities.com  
SEBI Registration No. NSE Capital Market: INB230808130;  
BSE Equity: INB010808153, CIN: U99999MH1994PLC134051

- BSE has been appointed as the designated stock exchanges to provide the separate acquisition window ("**Acquisition Window**") to facilitate placing of sell orders by Shareholders who wish to tender Equity Shares in the Buyback.
- During the tendering period, the order for selling Equity Shares will be placed by eligible Shareholders through their respective stock brokers ("**Seller Member(s)**") during normal trading hours of the secondary market. The stock brokers can enter orders for demat shares as well as physical shares.
- Procedure to be followed by Shareholders holding Equity Shares in the dematerialised form:**
  - Shareholders who desire to tender their Equity Shares in the dematerialized form under Buyback would have to do so through their respective Seller Member by indicating to them the details of Equity Shares they intend to tender under the Buyback.
  - The Seller Member would be required to transfer the number of Equity Shares by using the settlement number and the procedure prescribed by the Clearing Corporation of India Ltd. ("**Clearing Corporation**") for the transfer of the Equity Shares to the special account of the Clearing Corporation specifically created for the purpose of Buyback ("**Special Account**"). This shall be validated at the time of offer/bid entry.
  - The details of the Special Account of Clearing Corporation shall be informed in the issue opening circular that will be issued by BSE or Clearing Corporation.
  - For Custodian Participant orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by custodian participant. The custodian participant shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification shall revoke the custodian participant confirmation and the revised order shall be sent to the custodian participant again for confirmation.
  - Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip ("**TRS**") generated by the exchange bidding system to the Shareholder. TRS will contain the details of order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered etc.
- Procedure to be followed by Registered Shareholders holding Equity Shares in the Physical form:**
  - Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach the Seller Member along with the complete set of documents for verification procedures to be carried out including the (i) original share certificate(s), (ii) valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company, (iii) self-attested copy of the shareholder's PAN Card, (iv) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of the Shareholder has under gone a change from the address registered in the Register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof consisting

of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.

- Based on these documents, the concerned Seller Member shall place the bid on behalf of Shareholders holding Equity Shares in physical form using the Acquisition Window of BSE. Upon placing the bid, the Seller Member shall provide a TRS generated by the exchange bidding system to the Shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.
- The Seller Member/Shareholder has to deliver the original share certificate(s) & documents (as mentioned in Paragraph 12.7.1 above) along with TRS either by registered post or courier or hand delivery to the Registrar and Transfer Agent ("**RTA**") (at the address mentioned at paragraph 16 below within 2 (two) days of bidding by Seller Member. The envelope should be superscribed as "Vardhman Textiles Limited Buyback Offer 2016". One copy of the TRS will be retained by RTA and it will provide acknowledgement of the same to the Seller Member/Shareholder.
- Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buyback by the Company shall be subject to verification as per the Buy-back Regulations and any further directions issued in this regard. RTA will verify such bids based on the documents submitted on a daily basis and till such time the NSE or BSE shall display such bids as 'Unconfirmed Physical Bids'. Once, RTA confirms the bids it will be treated as 'Confirmed Bids'
- Modification/cancellation of orders will be allowed during the tendering period of the Buyback.
- The cumulative quantity tendered shall be made available on BSE's website - www.bseindia.com throughout the trading session and will be updated at specific intervals during the tendering period.
- METHOD OF SETTLEMENT**
- Upon finalization of the basis of acceptance as per Buy-back Regulations:
  - The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
  - The Company will pay the consideration to the Company's Broker on or before the pay-in date for settlement. For Equity Shares accepted under the Buyback, the Seller Member will receive funds payout in their settlement bank account.
  - The Equity Shares bought back in the demat form would be transferred directly to the demat account of the Company (the "Company Demat Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Company Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchange.
  - Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Shareholders would be returned to the Selling Member by Clearing Corporation in payout. Any excess physical Equity Shares pursuant to proportionate acceptance/rejection will be returned back to the Shareholders directly by RTA.
  - The Seller Member would issue contract note & pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted Equity Shares to their respective clients. Company Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
  - Shareholders who intend to participate in the Buyback should consult their respective Seller Member for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Member upon the selling Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Shareholders from their respective Seller Member, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholders.
- The Equity Shares lying to the credit of the Company Demat Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buy-back Regulations.

**15 INVESTOR SERVICE CENTRE AND COMPLIANCE OFFICER**

The Company has designated the following as the Compliance Officer for the Buyback:

Name : Ms. Karan Kamal Walia  
Designation : Company Secretary  
Address : Vardhman Textiles Limited, Chandigarh Road, Ludhiana- 141 010  
Tel : +91 161-2228943-48  
Email id : secretarial.lud@vardhman.com, kwalia@vardhman.com

In case of any clarifications or to address investor grievance, the Shareholders may contact the Compliance Officer, from Monday to Saturday between 10 am to 4 pm on all working days, at the abovementioned address.

**16 REGISTRARS TO THE BUYBACK**

The Company has appointed the following as the Registrars to the Buyback:

**Alankit**  
Health & Wealth. We Manage Both  
Name : M/s Alankit Assignments Limited  
Address : Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi, Delhi, 110055.  
Contact Person : Mr. JK Singla,  
Phone : +91 11 4254 1960, Fax : +91 11 4154 3474  
Email : alankit.vl@alankit.com, jksingla@alankit.com

In case of any query, the Shareholders may contact the Registrar, from Monday to Friday between 10 am to 4 pm on all working days except Saturday, Sunday and public holidays at the abovementioned address.

**17 MANAGER TO THE BUYBACK**

The Company has appointed the following as Manager to the Buyback:

**Kotak Mahindra Capital Company Limited**  
Address: 27BKC, 1st floor, Plot no. C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051  
Phone : +91-22-4336-0128  
Fax : +91-22-6713-2447  
Contact Person: Mr. Ganesh Rane  
Email: project.vardhmanbuyback@kotak.com

**18 DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Regulation 19(1)(a) of the Buy-Back Regulations, the Board of Directors of the Company accepts responsibility for all the information contained in this Public Announcement.

For and on behalf of the Board of Directors of  
**Vardhman Textiles Limited**

**Sd/-**  
**S.P.Oswal**  
Chairman and Managing Director

**Sd/-**  
**Sachit Jain**  
Joint Managing Director

**Sd/-**  
**Karan Kamal Walia**  
Company Secretary

Date: November 28, 2016  
Place: Ludhiana