



VARDHMAN TEXTILES LIMITED

Regd. & Corporate Office : Chandigarh Road, Ludhiana - 141 010, Punjab (INDIA)

Phones : (0161) 2228943-48; Fax : (0161) 2220766

PAN No. : AABCM4692E; CIN : L17111PB1973PLC003345

E-mail : secretarial.lud@vardhman.com; Website : www.vardhman.com

Ref. VTXL:SCY:DEC:2016-17

Dated: 01-Dec-2016

The Deputy General Manager, Corporate Relationship Deptt, Bombay Stock Exchange Limited, 1 st Floor, New Trading Ring, Rotunda Building, P.J Towers, Dalal Street, Fort, MUMBAI-400001. Scrip Code: 502986	☒ The National Stock Exchange of India Ltd, ☒ "Exchange Plaza, Bandra-Kurla Complex, Bandra (East), MUMBAI-400 051 Scrip Code: VTL
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SUB : BUYBACK UPDATES

Dear Sir,

Please find enclosed herewith certified copy of the resolution dated 24th November, 2016 passed by members, by postal ballot, to approve proposal to Buyback the fully paid up equity shares of face value of Rs. 10/- each of the Company from the shareholders of the Company on proportionate basis through a Tender offer.

Also, please find attached herewith certified true copy of the resolution dated 24th September, 2016 passed by the Board of Directors to approve the proposal to buyback the fully paid up equity shares of face value of Rs. 10/- each of the Company from the shareholders of the Company on proportionate basis through a Tender offer.

Kindly note and display the notice on your notice board for the information of the members of your exchange and general public.

Thanking you,

Yours faithfully,

For VARDHMAN TEXTILES LIMITED

(KARAN KAMAL WALIA)

Company Secretary



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E-mail : exp.administration@vardhman.com; Website : www.vardhman.com

TRUE COPY OF THE RESOLUTION DATED 24TH NOVEMBER, 2016 PASSED BY MEMBERS OF VARDHMAN TEXTILES LIMITED THOROUGH POSTAL BALLOT (INCLUDING E-VOTING)

“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





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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, Bombay Stock Exchange 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





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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."

Certified True Copy
For Vardhman Textiles Limited

(Karan Kamal Wala)
Company Secretary
M.No. FCS-7935



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TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF THE COMPANY IN ITS MEETING HELD ON 24TH SEPTEMBER, 2016 AT LUDHIANA

“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 any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution) and further subject to shareholder approval, the consent of the Board of Directors of the Company 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 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





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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 Company shall earmark adequate sources of funds for the purpose of the Buyback.

RESOLVED FURTHER THAT a Buyback Committee comprising of Mr. S.P. Oswal, Chairman & Managing Director, Mr. Sachit Jain and Mr. Neeraj Jain, Joint Managing Directors of the Company be and is hereby constituted and the powers of the Board in respect of Buyback be delegated to the Committee ("Buyback Committee") and each member of the Buyback Committee is hereby severally authorized to do all such acts, deeds and things as may be necessary, expedient or proper with regard to the implementation of the buy back, including, but not limited to, the following:

1. The appointment of Merchant Bankers, Registrars, Broker, DP, Printers, Advertisement Agency and other Advisors, Consultants or Representatives.
2. The initiating of all necessary actions for preparation of postal ballot notice along with explanatory statement and seek shareholder approval for the Buy-back.
3. The initiating of all necessary actions for preparation and issue of Public Announcement, Letter of Offer and related documents.
4. The filing of Public Announcement, draft Letter of Offer, Letter of Offer related documents and also the certificates for Declaration of Solvency.
5. The making of all applications to the appropriate authorities for their requisite approvals.





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6. Earmarking and making arrangements for adequate sources of funds for the purpose of the Buyback.
7. The opening, operation and closure of cash Escrow Account and Special Account in accordance with the Escrow Agreement.
8. The opening, operation and closure of demat Escrow Account in accordance with the DP Escrow Agreement.
9. To settle all such questions, difficulties or doubts that may arise in relation to the implementation of the Buy-back.
10. To sign the documents as may be necessary with regard to the Buyback and use the Common Seal of the Company on relevant documents required to be executed for the Buyback of shares.
11. Extinguishment of share certificates and Certificate(s) of extinguishment required to be filed in connection with the Buyback on behalf of the Board.
12. To do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper.
13. Sign, execute and deliver such documents as may be necessary or desirable in connection with or incidental to the Buyback.
14. To delegate all or any of the authorities conferred as above to any Officer(s) / Authorized Representative(s) of the Company to give effect to the aforesaid resolution or to accept any change(s) or modification(s) as may be suggested by the appropriate authorities or Advisors".

RESOLVED FURTHER THAT the Buy-back Committee shall have the power and authority to delegate all or any of the authorities conferred upon it to any officer(s) and/or representatives of the Company, in order to give effect to the aforesaid resolutions and to revoke and substitute such delegation / sub-delegation of authority from time to time.

RESOLVED FURTHER THAT the quorum for a meeting of the Buy-back Committee shall be presence of any two members and Buy-back Committee may regulate its own proceedings and meet as often as required, to discharge its functions.

RESOLVED FURTHER THAT the Ms. Karan Kamal Walia, Company Secretary shall act as a Secretary to the Buy-back Committee.





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RESOLVED FURTHER THAT the Buy-back Committee do report from time to time to the Board at the meeting of the Board, status/progress of actions taken by the Buy-back Committee concerning buyback and the minutes of meeting(s) of the Buy-back Committee held in the intervening period of two successive meetings of the Board shall be put up at the subsequent meeting of the Board.

RESOLVED FURTHER THAT in compliance with Securities and Exchange Board of India (Buyback of Securities) Regulations 1998, Kotak Mahindra Capital Company Limited be appointed as Merchant Banker for the proposed buyback transaction.

RESOLVED FURTHER THAT the Board confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion –

1. That immediately following the date of Board Meeting held on 24th September, 2016, there will be no grounds on which the Company can be found unable to pay its debts.
2. That as regards the Company's prospects for the year immediately following that date 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 that date.
3. In forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities).

RESOLVED FURTHER THAT the Board hereby confirms that:

1. All the equity shares for Buyback are fully paid-up;
2. That the Company has noted that the Company shall not issue and allot any Equity Shares including by way of bonus or convert any outstanding ESOPs/outstanding instruments into Equity Shares, till the date of closure of this Buyback;
3. That the Company, as per provisions of Section 68(8) of the Companies Act, shall not make further issue of the same kind of shares or other specified securities within a period of six months after the completion of the Buyback except by way of bonus shares or equity shares issued to discharge subsisting





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- obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares;
4. That the Company shall not buyback its shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
 5. That there are no defaults subsisting in the repayment of Deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
 6. That funds borrowed from Banks and Financial Institutions will not be used for the Buyback;
 7. That the aggregate amount of the Buyback i.e. Rs. 720 crores (Rupees Seven Hundred Twenty Crores) does not exceed 25% of the total paid-up equity capital and free reserves of the Company as on March 31, 2016;
 8. That the maximum number of shares proposed to be purchased under the Buyback does not exceed 25% of the total number of shares in the paid-up equity capital as per the audited balance sheet as on March 31, 2016;
 9. That 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.

Certified True Copy
For Vardhman Textiles Limited

(Karan Kamal Walia)
Company Secretary
M. No. FCS-7935