

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is being sent to you as a registered Equity Shareholder(s) of Vyapar Industries Limited, as on the Record Date in accordance with Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998, as amended. If you require any clarification about the action to be taken, you may consult your stock broker or your investment consultant or the Manager to the Buyback, Saffron Capital Advisors Private Limited or the Registrar to the Buyback, Bigshare Services Private Limited.



VYAPAR INDUSTRIES LIMITED

Company Identification Number: L65990MH1983PLC029875

Registered Office: 145, S V Road, Opp Khar Police Station, Khar West, Mumbai-400054 Maharashtra, India; **Tel. No.:** +91 22 66989111; **Fax No.:** +91 22 66987010; **Email:** vyapar@vyaparindustries.com; **Website:** www.vyaparindustries.com; **Contact Person:** Anil Kumar Singla, Company Secretary & Compliance Officer.

Cash offer to Buyback up to maximum of **27,23,000** fully paid-up Equity Shares of face value Rs. 10 each, at a price of Rs. **30/-** (Rupees Thirty) per share for an aggregate maximum amount of upto Rs. **8,16,90,000** (Rupees Eight Crores Sixteen Lacs Ninety Thousand) which represents **11.25%** of the aggregate of Company's paid-up Equity Share Capital and Free Reserves as on March 31, 2015, through the Tender Offer process, on a proportionate basis. The Shares proposed to be bought back constitute **24.99%** of issued, subscribed and paid up Equity Capital of the Company. The Letter of Offer will be sent to the Equity Shareholder(s) / Beneficial Owner(s) of Equity Shares of the Company as on the Record Date i.e. **Monday, November 02, 2015**

The payment of consideration shall be made through NECS (subject to availability of all information for crediting the funds), demand drafts / pay order, or similar instruments payable at par at all the centers where the Company is accepting applications. The Buyback Offer is pursuant to Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 for the time being in force including any statutory modifications and amendments from time to time as well as in accordance with provisions of sections 68, 69 and 70 and all other applicable provisions of the Companies Act, 2013, as amended (the "Act") and in accordance with the provisions contained in the Article 10 of the Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to Securities and Exchange Board of India, Stock Exchange, Reserve Bank of India, etc.

A copy of the Public Announcement dated September 23, 2015 published on September 24, 2015 is available at the SEBI's website (www.sebi.gov.in), website of Manager to the Buyback at www.saffronadvisor.com and website of the Company at www.vyaparindustries.com. Further, the Letter of Offer (including the Tender Form) will also be available at the SEBI website, website of Manager to the Buyback and website of the Company. The Tender Form will be enclosed together with the Letter of Offer. Equity Shareholders are advised to refer to Clause 17 of this Letter of Offer on Details of the Statutory Approvals and Clause 21 of this Letter of Offer on Note on Taxation before tendering their Shares in the Buyback.

BUYBACK OPENS ON: [●].[●]. 2015; BUYBACK CLOSES ON: [●].[●].2015
LAST DATE / TIME OF RECEIPT OF COMPLETED TENDER FORM: [●].[●], 2015; [●]

MANAGER TO THE BUYBACK



SAFFRON CAPITAL ADVISORS PRIVATE LIMITED
605, Sixth Floor, Centre Point, Andheri-Kurla Road, J. B. Nagar, Andheri (East), Mumbai - 400 059
Tel No.: +91 22 4082 0917/0906;
Fax No.: +91 22 4082 0999;
E-mail: buybacks@saffronadvisor.com;
Website: www.saffronadvisor.com;
Investor grievance Id:
investorgrievance@saffronadvisor.com;
SEBI Registration Number: INM000011211;
Contact Person: Mr. Amit Wagle / Ms. Harshika Thakkar

REGISTRAR TO THE BUYBACK



BIGSHARE SERVICES PRIVATE LIMITED
E/2-3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka, Andheri (E), Mumbai-400072
Tel No.: +91 22 4043 0200;
Fax No.: +91 22 2847 5207;
Email: ashok@bigshareonline.com;
Website: www.bigshareonline.com;
Investor Grievance Id:
investor@bigshareonline.com;
SEBI Registration Number: INR000001385;
Contact Person: Mr. Ashok Shetty

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1) SCHEDULE OF ACTIVITIES

| Activity | Day | Date |
|---|-----------|--------------------|
| Date of Board Meeting approving the Buyback | Saturday | August 08, 2015 |
| Date of special resolution by the Equity Shareholders of the Company by way of postal ballot approving the Buy Back | Tuesday | September 22, 2015 |
| Date of Public Announcement for Buyback | Wednesday | September 23, 2015 |
| Date of publication of Public Announcement | Thursday | September 24, 2015 |
| Record Date for determining the Entitlement and the names of Eligible Shareholders | Monday | November 02, 2015 |
| Date of Opening of Buyback | ● | ● |
| Date of Closing of Buyback | ● | ● |
| Last date of verification | ● | ● |
| Last date of intimation regarding acceptance / non- acceptance of tendered Shares | ● | ● |
| Last date of dispatch of consideration / share certificate(s) / demat instruction(s) | ● | ● |
| Last date of Extinguishment of Shares | ● | ● |

2) DEFINITION OF KEY TERMS

| | |
|--|---|
| Acceptance | Acceptance of Equity Shares, tendered by Eligible Persons in the Buyback process |
| Act | The Companies Act, 2013, as amended including rules therein |
| Articles | Articles of Association of the Company |
| Additional Shares / Additional Equity Shares | Additional eligible Equity Shares tendered by an Eligible Person over and above the Buyback Entitlement of such Shareholder. Eligible Equity Shares means the minimum of: - Total number of Shares tendered by an Eligible Person or - Total number of Shares held by such Shareholder as on the Record Date |
| Company / the Company | Vyapar Industries Limited |
| Authorized/Buyback Committee | Buyback Committee comprising of Mr. Abbas Rassai, Mr. Hussein Cementwala and Ms. Shabana Mistry constituted on August 08, 2015, by a resolution of the Board of Directors, and duly authorized for the purpose of this Buyback |
| Board | Board of Directors of the Company, or the Authorized Committee for the purpose of the Buyback |
| BSE | BSE Limited |
| Buyback Entitlement | The number of Equity Shares that a Shareholder is entitled to tender in the Buyback Offer, based on the number of Equity Shares held by that Shareholder, on the Record date and the Ratio of Buyback applicable in the category, in which such Shareholder belongs to |
| Buyback Offer / Buyback / Offer | Offer by Vyapar Industries Limited to buyback up to maximum of 27,23,000 fully paid-up Equity Shares of face value Rs. 10 each at a price of Rs. 30/- per Equity Share for cash aggregating upto Rs. 8,16,90,000 (Rupees Eight Crores Sixteen Lacs Ninety Thousand Only) from the Equity Shareholders of the Company through Tender Offer process, on a proportionate basis |
| CDSL | Central Depository Services (India) Limited |
| DP | Depository Participant |
| Depositories | Collectively, National Securities Depository Limited and Central |

| | |
|---|---|
| | Depository Services (India) Limited. |
| Draft Letter of Offer | This Draft letter of offer dated September 30, 2015 filed with SEBI through the Manager to the Buyback, containing disclosures in relation to the Buyback as specified in Schedule III of the Buyback Regulations |
| Eligible Person (s) | Person(s) eligible to participate in the Buyback Offer and would mean all Equity Shareholders / Beneficial Owner(s) of Equity Shares of the Company as on Record Date i.e. November 02, 2015 |
| Equity Shares / Shares | Fully paid up Equity Shares of face value Rs. 10 each of the Company |
| Equity Shareholder(s)/ Shareholder(s) | Holder(s) of the Equity Shares and includes beneficial owners thereof |
| Escrow Bank/Escrow Agent | HDFC Bank Limited |
| Escrow Account | The Escrow Account opened with HDFC Bank Limited |
| Form / Tender Form | Form of Acceptance-cum-Acknowledgement |
| Letter of Offer / LOF / Offer Document | Letter of offer dated [●] to be filed with SEBI, through the Manager to the Buy Back, containing disclosures in relation to the Buy Back as specified in Schedule III of the Buy Back Regulations, incorporating comments that were received from SEBI on the Draft Letter of Offer |
| Non-Resident Shareholders | Includes Non-Resident Indians (NRI), Foreign Institutional Investors (FII) and erstwhile Overseas Corporate Bodies (OCB) |
| NECS | National Electronic Clearing Services |
| NSDL | National Securities Depository Limited |
| Offer Period | Ten working days from the date of opening of the Buyback |
| Offer Price / Buyback Price | Price at which Equity Shares will be bought back from the Shareholders i.e Rs. 30/- per fully paid up Equity Share, payable in cash |
| Offer Size / Buyback Size | Number of Equity Shares proposed to be bought back (i.e. 27,23,000 Equity Shares of face value Rs. 10 each) multiplied by the Offer Price (i.e. Rs. 30/- per Equity Share) aggregating to Rs. 8,16,90,000 (Rupees Eight Crores Sixteen Lacs Ninety Thousand Only) |
| PA / Public Announcement | Public Announcement regarding the Buyback dated September 23, 2015 issued in Business Standard (English newspaper), Business Standard (Hindi newspaper) and Mumbai Lakshadeep (Marathi newspaper) published on September 24, 2015 |
| Persons in Control | Promoters, Promoter Group and Persons Acting in concert, including such persons as have been disclosed under the filings made by the Company from time to time under the extant Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, (“ SEBI Takeover Regulations ”) and filings with the stock exchange under Clause 35 of the Listing Agreement |
| RBI | Reserve Bank of India |
| Record Date | The date for the purpose of determining the entitlement and the names of the Shareholders, to whom the Letter of Offer and Tender Offer Form will be sent and who are eligible to participate in the proposed Buyback offer in accordance with Buyback Regulations. This date shall be November 02, 2015 |
| Registrar to the Offer / Registrar to the Buyback | Bigshare Services Private Limited |
| Regulations / SEBI Regulations / SEBI Buyback Regulations / Buyback Regulations | The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, for the time being in force including any statutory modifications and amendments from time to time |
| Saffron / Manager to the Buyback | Saffron Capital Advisors Private Limited |

| | |
|-------------------|---|
| SEBI | The Securities and Exchange Board of India |
| Small Shareholder | A Shareholder of a listed company, who holds shares or other specified securities whose market value, on the basis of closing price of Shares or other specified securities, on the recognized stock exchange in which highest trading volume in respect of such security, as on record date, i.e. November 02, 2015 is not more than Rs. Two Lacs. |
| Stock Exchange | BSE |
| Tender Offer | Method of buy back as defined in Regulation 2(1)(o) of the Buy Back Regulations |

3) DISCLAIMER CLAUSE

As required, a copy of this Draft Letter of Offer has been submitted to the SEBI.

It is to be distinctly understood that submission of the Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the buyback commitments or for the correctness of the statements made or opinions expressed in the Offer Document. The Manager to the Buyback, Saffron Capital Advisors Private Limited, has certified that the disclosures made in the Offer Document are generally adequate and are in conformity with the provisions of Companies Act, 2013 and SEBI Regulations. This requirement is to facilitate investors to take an informed decision for tendering their Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the Offer Document, the Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback, Saffron Capital Advisors Private Limited has furnished to SEBI a Due Diligence Certificate dated **September 30, 2015** in accordance with SEBI Regulations which reads as follows:

“We have examined various documents and materials contained in the annexure to this letter, as part of the due-diligence carried out by us in connection with the finalisation of the Public Announcement and the Draft Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- *The Public Announcement and the Draft Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback offer;*
- *All the legal requirements connected with the said offer including SEBI Regulations have been duly complied with;*
- *The disclosures in the Public Announcement and the Draft Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well informed decision in respect of the captioned Buyback offer.*
- *Funds used for buyback shall be as per the provisions of the Companies Act”.*

The filing of Offer Document with SEBI does not, however, absolve the Company from any liabilities under the provisions of the Companies Act, 2013, as amended or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

Directors of the Company declare and confirm that no information / material likely to have a bearing on the decision of investors has been suppressed / withheld and / or incorporated in the manner that would amount to mis-statement / misrepresentation and in the event of it transpiring at any point of time that any information / material has been suppressed / withheld and / or amounts to a mis-statement/ mis-representation, the Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act, 2013 and the SEBI

Regulations as amended.

Directors also declare and confirm that funds borrowed from Banks and Financial Institutions will not be used for the Buyback.

4) TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

The Buyback through a tender offer has been duly authorised by the resolution passed by the Board of Directors of the Company at their meeting held on August 08, 2015. The Extracts of the same are as follows:

“RESOLVED THAT pursuant to the provisions of Article 10 of the Articles of Association of the Company and in accordance with the provisions of sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and subject to the approval of shareholders in general meeting through postal ballot, the provisions contained in the Securities and Exchange Board of India (Buy-back of Securities) Regulations 1998 (the “SEBI Buyback Regulations”) (including the amendments made through the SEBI (Buy-back of Securities) (Amendment) Regulations, 2012, and any statutory modification(s) or re-enactment of the Act or Rules framed there under from time to time or Buy-back Regulations, for the time being in force) as also such other approvals, permissions and sanctions of Securities and Exchange Board of India (“SEBI”) and / or other authorities, institutions or bodies (the “appropriate authorities”), as may be necessary and conditions and modifications 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 shall be deemed to include the “Buyback Committee” which the Board has authorized to exercise its powers, including the powers conferred by this resolution), the consent be and is hereby accorded to purchase by way of buyback offer up to **27,23,000** fully paid-up Equity Shares of Rs. 10/- each of the Company constituting approximately **24.99%** of the fully paid-up Equity Share capital of the Company at a price of Rs. **30/- (Rupees Thirty only)** per equity share payable in cash for an aggregate amount of upto Rs. **81,690,000/- (Rupees Eight Crores Sixteen Lacs Ninety Thousand only)** being **11.25%** of the fully paid-up Equity Share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2015 through the **Tender Offer** mechanism (hereinafter referred to as the “Buyback”);

RESOLVED FURTHER THAT the approval of the shareholders by Postal Ballot for Buyback be obtained and any two directors of the Company be and are hereby authorized to finalize the Notice for the Postal Ballot, the accompanying Explanatory Statement, calendar of events and carry out all incidental activities in connection with the obtaining approval of shareholders by a Special Resolution through Postal Ballot;

RESOLVED FURTHER THAT the Company may implement the Buyback of upto **25%** of its paid-up Equity Capital and free reserves of the Company as per the approval granted by way of this resolution pursuant to section 68 of the Companies Act, 2013, and in accordance with the SEBI Buyback Regulations;

RESOLVED FURTHER THAT the draft of the Declaration of Solvency prepared in the prescribed form and placed before the meeting be and is hereby approved and Mr. Akeel Rassai, Managing Director, Mr. Hussein Rassai, Whole Time Director, be and are hereby authorized to sign the same, for and on behalf of the Board and file the same with the Registrar of Companies and the Securities and Exchange Board of India;

RESOLVED FURTHER that as required by Regulation 6 of the SEBI Buyback Regulations, the Company may buyback Equity Shares from the existing shareholders on a proportionate basis, provided fifteen percent of the number of Shares which the Company proposes to buyback or number of Shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders, as defined in the SEBI Buyback Regulations;

RESOLVED FURTHER THAT the proposed Buyback be implemented from the existing shareholders **including** Promoters, Promoters Group and Persons Acting in concert (such shareholders herein after collectively as “**Persons in Control**”) and that persons in control will be such persons as have been disclosed as such under the filings made by the Company from time to time under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011 (“**SEBI Takeover Regulations**”)/ Shareholding patterns filed with the stock exchanges from time to time, as the Board may consider appropriate, from out of its free reserves and/or Share Premium Account and/or cash balances and/ or internal accruals and/or such other sources or by such mechanisms as may be permitted by Law, and on such terms and conditions as the Board may decide from time to time, and in the absolute discretion of the Board, as it may deem fit;

RESOLVED FURTHER THAT Company shall not use borrowed funds, directly or indirectly, whether secured or unsecured, of any form and nature, from Banks and Financial Institutions for paying the consideration to the equity shareholders who have tendered their equity shares in the Buyback Offer

RESOLVED FURTHER THAT Company **has complied and shall continue to comply** with section 70 of the Companies Act, 2013, “the Act” wherein:-

- It shall not directly or indirectly purchase its own shares:
 - (a) through any subsidiary company including its own subsidiary companies;
 - Or
 - (b) through any investment company or group of investment companies
- There are no defaults subsisting in the repayment of deposits or interest, redemption of debentures or preference shares or repayment of term loans or interest payable thereon to any financial institutions or banks.
- It has not defaulted in payment of dividend to its equity shareholders as per sections 205, 205A and 207 of the Companies Act, 1956
- It has filed annual returns as envisaged in section of the Companies Act, 1956
- It has complied and will continue to comply with sections 92, 123, 127 and 129 of the Companies Act, 2013

RESOLVED FURTHER THAT Saffron Capital Advisors Private Limited, a SEBI registered, Category I Merchant Banker who has been appointed as to act as a ‘Manager’ to the Buyback *vide* letter dated August 03, 2015, and the approval of Board be and is hereby accorded for the aforesaid appointment;

RESOLVED FURTHER THAT confirmation is hereby made by the Board of Directors that:

- a) All Equity Shares of the Company are fully paid up;
- b) that the aggregate amount of the Buyback i.e. **81,690,000/- (Rupees Eight Crores Sixteen Lacs Ninety Thousand only)**, does not exceed 25% of the total paid-up capital and free reserves as per the audited balance sheet as on March 31, 2015;
- c) that the number of Shares proposed to be purchased under the Buyback i.e. **27,23,000** Equity Shares, 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, 2015;
- d) 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;
- e) that the debt equity ratio of the Company after the buyback will be well within the limit of 2:1 as prescribed under the Act.

RESOLVED FURTHER THAT as required by Clause (x) of Part A of Schedule II under Regulation 5(1) of the SEBI Buyback Regulations, the Board hereby confirms that based on such full inquiry conducted into the affairs and prospects of the Company, and taking into account all the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the Act, the Board of Directors has formed an opinion that:

- a) Immediately following the date of the Board meeting held on **August 08, 2015** and the

date on which results of the postal ballot will be declared, there are no grounds on which the Company can be found unable to pay its debts;

- b) As regards the Company's prospects for the year immediately following the date of the Board meeting held on **August 08, 2015** and the date on which results of the postal ballot will be declared, and having regard to the Board's intention with respect to the Management of 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; and
- c) In forming an opinion as aforesaid, the Board of Directors have 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 buyback is being proposed in keeping with the Company's desire to enhance overall shareholders' value and the buyback would lead to reduction in total number of Equity Shares;

RESOLVED FURTHER THAT the powers of the Board in respect of buyback be and is hereby delegated to the Buyback Committee ('**BBC**') comprising of Mr. Abbas Rassai, Whole Time Director, Mr. Hussein Cementwala, Director and Ms Shabana Mistry, Executive Director ("**Members of the Committee**"). The BBC be and hereby authorized to take all necessary actions for executing the actions relating to the Buyback as above;

RESOLVED FURTHER THAT the BBC be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper, **including but not limited** to finalizing the terms of buyback like the aggregate amount to be utilized for the buyback including the price and the number of Shares to be bought back within the statutory limits, the mechanism for the buyback, the timeframe for completion of the buyback, escrow arrangements, opening bank accounts for this purpose and authorizing persons to operate the said account, appointment of , brokers, escrow agents, printers, registrars, solicitors, depository participants, scrutinizer and such other intermediaries/agencies for the implementation of the Buyback and carry out incidental documentation and to prepare applications and submit to the Appropriate Authorities for their requisite approvals as also to initiate all necessary actions for the preparation and issue of various documents including public announcement, draft and final letter of offer, declaration of solvency, extinguishment of Shares and certificate of extinguishment required to be filed in connection with the Buyback on behalf of the Board;

RESOLVED FURTHER THAT the BBC be and is hereby authorized to affix the Common Seal of the Company on relevant documents required to be executed for the buyback of Shares in accordance with the provisions of Article 161 of the Articles of Association of the Company;

RESOLVED FURTHER THAT the BBC be and is hereby authorized to delegate all or any of the authorities conferred on it to any Officer(s) / Authorized Signatory(ies) of the Company;

RESOLVED FURTHER THAT Mr. Anil Kumar Singla, Company Secretary be and is hereby appointed as the Compliance Officer for the Buyback;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the BBC is hereby authorized to give such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise in relation to the Buyback;

RESOLVED FURTHER THAT the buyback is subject to:

- a) the buyback not causing the Company to be in violation of the conditions for continuous listing prescribed in terms of Clause-40A of the Listing Agreement entered into between the Company and the stock exchanges, where the shares of the company are listed i.e. maintaining the minimum public shareholding at 25%;

- b) the Equity Shares that may be bought back do not exceed the maximum number of Shares permissible;
- c) the aggregate consideration payable pursuant to the buyback not exceeding the offer size ; and
- d) complying with the statutory and regulatory timelines in respect of the buyback, on the terms and conditions as may be decided by the Board and in such manner as prescribed under the Act and / or the Regulations and any other applicable Laws.

RESOLVED FURTHER THAT confirmation is hereby made by the Board of Directors that:

- a) 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; and
- b) the Company shall not buy back 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

RESOLVED FURTHER THAT the Company shall not Buyback the locked-in Equity Shares, if any and non-transferable Equity Shares, if any till the pendency of the lock-in or till the Equity Shares become transferable;

RESOLVED FURTHER THAT as per the provisions of regulation 19(f) of SEBI Buyback Regulations, the Company shall not raise further capital for a period of one year from the closure of the Buyback offer, except in discharge of its subsisting obligations;

RESOLVED FURTHER THAT Buyback from shareholders who are persons resident outside India including the Foreign Institutional Investors, Overseas Corporate Bodies, shall be subject to such approvals as required including approvals from Reserve Bank of India under Foreign Exchange Management Act, 1999 and the Rules and Regulations framed there under;

RESOLVED FURTHER THAT as per the provisions of section 68(8) of the Act, the Company will not issue fresh Equity Shares within a period of six months after the completion of the buyback except by way of bonus Shares or Shares issued in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of Preference Shares or debentures into Equity Shares;

RESOLVED FURTHER THAT nothing contained herein shall confer any right on any shareholder to offer and / or any obligation on the Company or the Board or the BBC to buyback any Shares and / or impair any power of the Company or the Board or the BBC to terminate any process in relation to such buyback, if so permissible by Law;

RESOLVED FURTHER THAT the Company does maintain a register of securities bought back wherein details of Equity Shares bought back, consideration paid for the Equity Shares bought back, date of cancellation of Equity Shares and date of extinguishing and physically destroying of Equity Shares and such other particulars as may be prescribed, shall be entered and that the Company Secretary of the Company be and is hereby authorised to authenticate the entries made in the said register;

RESOLVED FURTHER THAT any Director and the Company Secretary be and are hereby severally authorized to send the necessary intimations to the Stock Exchanges in regard to this resolution, as may be required under the listing agreement;

RESOLVED FURTHER THAT any of the Directors of the Company &/or the Company Secretary for the time being, be and are hereby severally authorized to furnish a copy of this Resolution certified as true to the relevant Authority(ies).”

5) DETAILS OF THE PUBLIC ANNOUNCEMENT

As per Regulation 8(1) of the SEBI Buyback Regulations, the Company has made a Public Announcement dated September 23, 2015 for the Buyback of Equity Shares in Business Standard (English newspaper), Business Standard (Hindi newspaper) and Mumbai Lakshadeep (Marathi newspaper) on September 24, 2015, within two working days from the date of resolution of the Shareholders meeting approving the Buyback, on September 22, 2015.

6) DETAILS OF THE BUYBACK

- Vyapar Industries Limited has announced the Buyback of up to maximum of 27,23,000 fully paid up Equity Shares of Rs. 10 each of the Company, from the Existing Shareholder(s) / Beneficial Owner(s) of Equity Shares of the Company through the Tender Offer process in accordance with Sections 68, 69, 70 and other applicable provisions of the Act and the SEBI Buyback Regulations at a price of Rs. **30/-** per share aggregating upto Rs. **8,16,90,000** (Rupees Eight Crores Sixteen Lacs Ninety Thousand Only). The Buyback Size represents **11.25%** of the aggregate of the Company's paid-up Equity Share Capital and Free Reserves as on March 31, 2015 which stands at Rs. **72,61,32,420** (Rupees Seventy Two Crores Sixty One Lakhs Thirty Two Thousand Four Hundred Twenty). At the Buyback Price of Rs. **30/-** per fully paid-up Equity Share, the Company shall buyback upto 27,23,000 fully paid-up Equity Shares of face value Rs. 10 each representing **24.99%** of the total paid up Equity Capital.
- The Buy Back is proposed to be implemented by the Company through Tender Offer Method from the Equity Shareholders on a proportionate basis; provided, however, 15% of the number of Equity Shares which the Company proposes to buy back or number of Equity Shares entitled as per their shareholding, whichever is higher, shall be reserved for Small Shareholders. As per Buy Back Regulations, small shareholder means a shareholder who holds Equity Shares having market value, on the basis of closing price on BSE as on Record Date, of not more than Two Lakhs Rupees.
- The particulars of the Equity Shares of the Company held by the Persons in Control of the Company, as on the date of the Public Announcement, i.e. September 23, 2014 is given below:

| Sr. No. | Name of the Promoter and Promoter Group | Equity Shares held | % to the total paid up equity capital |
|---------|---|--------------------|---------------------------------------|
| 1. | Akeel Rassai | 33,28,726 | 30.55 |
| 2. | Hussain Rassai | 33,28,726 | 30.55 |
| 3. | Abbas Rassai | 99,191 | 0.91 |
| 4. | Yakuta Rassai | 27,225 | 0.25 |
| 5. | Sakina Rassai | 27,225 | 0.25 |
| 6. | Shamima Rassai | 3,375 | 0.03 |
| | Total | 68,14,468 | 62.55 |

Source: BENPOS provided by Registrar to the Buyback Offer

- In terms of the Buy Back Regulations, under the tender offer route, the Promoters and Promoter Group of the Company have the option to participate in the Buy Back. The Promoter and Promoter Group Members have *vide* their letter dated August 08, 2015 communicated about their intention to participate in the buyback, which is as follows:-

| Sr. No. | Name of the | Equity | % to the | Whether | Maximum |
|---------|-------------|--------|----------|---------|---------|
|---------|-------------|--------|----------|---------|---------|

| | Promoter and Promoter Group | Shares held | total paid up equity capital | intends to participate | shares indicated |
|----|-----------------------------|------------------|------------------------------|------------------------|------------------|
| 1. | Akeel Rassai | 33,28,726 | 30.55 | Yes | 6,50,000 |
| 2. | Hussain Rassai | 33,28,726 | 30.55 | Yes | 6,50,000 |
| 3. | Abbas Rassai | 99,191 | 0.91 | No | NA |
| 4. | Yakuta Rassai | 27,225 | 0.25 | No | NA |
| 5. | Sakina Rassai | 27,225 | 0.25 | No | NA |
| 6. | Shamima Rassai | 3,375 | 0.03 | No | NA |
| | Total | 68,14,468 | 62.55 | | 13,00,000 |

Accordingly, Mr. Akeel Rassai and Mr. Hussain Rassai, Promoters of the Company, have indicated their intention to participate in the Buyback Offer for any number of Equity Shares not exceeding 650000 Equity Shares each.

The details of date and price of acquisition of the Equity Shares those Promoters and Promoter Group who intend to tender in the buy back offer are stated below:

a) **Mr. Akeel Rassai**

| Sr. No. | Date of Acquisition / Disposal | Number of Equity Shares acquired / sold | Cost of Acquisition (Rs. Per share) |
|---------|--------------------------------|---|-------------------------------------|
| 1. | Balance as on 31.03.2005 | 4,28,175 | - |
| 2. | 26.08.2005 | (25,000) | 151.75 |
| 3. | 31.08.2005 | (1,00,055) | 160.16 |
| 4. | 08.09.2005 | (20,000) | 173.06 |
| 5. | 25.11.2005 | (60,000) | 124.10 |
| 6. | 05.12.2005 | (80,000) | 120.40 |
| 7. | 27.12.2005 | (1,00,000) | 111.17 |
| 8. | 30.12.2005 | (8,000) | 107.00 |
| 9. | 28.03.2008 | (16,400) | 167.50 |
| 10. | 08.04.2008 | 10,99,336 | Interse (Free Gift) |
| 11. | 16.03.2011 | 50,000 | 23.00 |
| 12. | 17.03.2011 | 50,000 | 22.75 |
| 13. | 21.03.2011 | 17,000 | 23.00 |
| 14. | 22.03.2011 | 25,000 | 22.75 |
| 15. | 23.03.2011 | 75,000 | 22.75 |
| 16. | 23.06.2011 | 1,000 | 15.05 |
| 17. | 24.06.2011 | 5,500 | 15.12 |
| 18. | 29.06.2011 | 1,17,204 | 15.08 |
| 19. | 05.07.2011 | 25,000 | 15.07 |
| 20. | 05.10.2011 | 300 | 14.33 |
| 21. | 07.10.2011 | 9,113 | 13.42 |
| 22. | 10.10.2011 | 103 | 13.58 |
| 23. | 17.10.2011 | 780 | 13.52 |
| 24. | 19.10.2011 | 140 | 14.07 |
| 25. | 20.10.2011 | 355 | 14.08 |
| 26. | 02.11.2011 | 17,940 | 14.58 |
| 27. | 03.11.2011 | 11,250 | 15.73 |
| 28. | 04.11.2011 | 22,500 | 15.50 |
| 29. | 08.11.2011 | 42,500 | 16.78 |
| 30. | 11.11.2011 | 10,000 | 18.60 |
| 31. | 02.04.2012 | 25,000 | 23.06 |
| 32. | 03.04.2012 | 25,000 | 23.06 |
| 33. | 04.04.2012 | 25,000 | 23.06 |

| | | | |
|-----|--------------|------------------|-------|
| 34. | 09.04.2012 | 43,342 | 23.06 |
| 35. | 10.04.2012 | 25,000 | 23.46 |
| 36. | 11.04.2012 | 25,000 | 23.52 |
| 37. | 26.04.2012 | 2,500 | 25.31 |
| 38. | 07.05.2012 | 4,000 | 25.81 |
| 39. | 14.05.2012 | 40,000 | 23.86 |
| 40. | 15.05.2012 | 32,388 | 23.86 |
| 41. | 13.07.2012 | 362 | 24.06 |
| 42. | 26.07.2012 | 355 | 25.31 |
| 43. | 27.07.2012 | 7,500 | 26.39 |
| 44. | 30.07.2012 | 8,892 | 27.09 |
| 45. | 29.08.2012 | 5,146 | 27.37 |
| 46. | 14.02.2013 | 8,500 | 26.10 |
| 47. | 18.02.2013 | 18,000 | 25.90 |
| 48. | 20.02.2013 | 17,000 | 25.95 |
| 49. | 23.05.2013 | 14,17,000 | 27.37 |
| | Total | 33,28,726 | |

(Source: Contract Notes issued by the Broker and Submissions made under Takeover Code, 1997 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992)

b) **Mr. Hussain Rassai**

| Sr. No. | Date of Acquisition / Disposal | Number of Equity Shares acquired / sold | Cost of Acquisition (Rs. Per share) |
|----------------|---------------------------------------|--|--|
| 1. | Balance as on 31.03.2005 | 15,52,500 | - |
| 2. | 27.10.2005 | (55,000) | 99.25 |
| 3. | 28.10.2005 | (50,593) | 100.00 |
| 4. | 16.11.2005 | (25,000) | 108.20 |
| 5. | 17.11.2005 | (50,000) | 110.35 |
| 6. | 21.11.2005 | (30,000) | 114.80 |
| 7. | 22.11.2005 | (50,000) | 117.05 |
| 8. | 23.11.2005 | (50,000) | 119.35 |
| 9. | 24.11.2005 | (15,000) | 121.70 |
| 10. | 30.12.2005 | (50,000) | 107.00 |
| 11. | 27.12.2006 | (41,000) | 123.02 |
| 12. | 08.04.2008 | (16,851) | Interse (Free Gift) |
| 13. | 16.03.2011 | 50,000 | 23.00 |
| 14. | 17.03.2011 | 50,000 | 22.75 |
| 15. | 21.03.2011 | 17,000 | 23.00 |
| 16. | 22.03.2011 | 25,000 | 22.75 |
| 17. | 23.03.2011 | 75,000 | 22.75 |
| 18. | 23.06.2011 | 1,000 | 15.05 |
| 19. | 24.06.2011 | 5,500 | 15.14 |
| 20. | 29.06.2011 | 1,17,204 | 15.08 |
| 21. | 05.07.2011 | 23,885 | 15.07 |
| 22. | 08.07.2011 | 1,115 | 15.43 |
| 23. | 22.09.2011 | 126 | 15.32 |
| 24. | 05.10.2011 | 1300 | 14.84 |
| 25. | 07.10.2011 | 8,805 | 13.36 |
| 26. | 20.10.2011 | 1,000 | 13.84 |
| 27. | 02.11.2011 | 17,060 | 14.58 |
| 28. | 03.11.2011 | 11,690 | 15.73 |
| 29. | 04.11.2011 | 22,500 | 15.50 |
| 30. | 08.11.2011 | 42,500 | 16.78 |
| 31. | 11.11.2011 | 10,000 | 18.60 |
| 32. | 02.04.2012 | 25,000 | 23.06 |

| | | | |
|-----|--------------|------------------|-------|
| 33. | 03.04.2012 | 25,000 | 23.06 |
| 34. | 04.04.2012 | 25,000 | 23.06 |
| 35. | 09.04.2012 | 43,342 | 23.06 |
| 36. | 10.04.2012 | 25,000 | 23.46 |
| 37. | 11.04.2012 | 25,000 | 23.50 |
| 38. | 26.04.2012 | 2,500 | 25.31 |
| 39. | 07.05.2012 | 3,862 | 26.43 |
| 40. | 14.05.2012 | 40,000 | 23.86 |
| 41. | 15.05.2012 | 32,388 | 23.86 |
| 42. | 13.07.2012 | 438 | 24.06 |
| 43. | 27.07.2012 | 7,390 | 26.39 |
| 44. | 30.07.2012 | 11,900 | 26.97 |
| 45. | 31.07.2012 | 1,665 | 28.21 |
| 46. | 14.02.2013 | 8,500 | 26.10 |
| 47. | 18.02.2013 | 18,000 | 25.90 |
| 48. | 20.02.2013 | 17,000 | 25.95 |
| 49. | 23.05.2013 | 14,17,000 | 27.37 |
| | Total | 33,28,726 | |

(Source: Contract Notes issued by the Broker and Submissions made under Takeover Code, 1997 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992)

- The Promoters or Persons who are in control of the Company have vide their letter dated September 08, 2015 confirmed that they have not purchased or sold Equity Shares of the Company during six months preceding August 08, 2015, being the date of Board Meeting approving the Buyback till the date of Postal Ballot Notice.
- Further, the Promoter and Promoter Group members of the Company confirm that they have not purchased any Equity Shares of the Company from the date of Board Meeting till the date of this Draft Letter of Offer.
- Assuming response to the Buyback is to the extent of 100% (*Full Acceptance*), the aggregate shareholding of the Persons in Control, post Buyback will increase to **74.90%** of the post Buyback Equity Share Capital of the Company. The Promoter and Promoter Group of the Company are already in control over the Company and therefore such further increase in voting rights of the Promoter and Promoter Group will not result in any change in control over the Company. Further, the Promoter and Promoter Group have not voted on the Board Resolution and Shareholders Resolution authorizing the Buyback under Sections 68, 69 and 70 of the Act. Therefore, in terms of regulation 10(4) (c) of the SEBI Takeover Regulations, despite the increase in voting rights of the Promoter and Promoter Group from **62.55%** to **74.90%**, the Promoter and Promoter Group are exempted from an obligation to make an open offer under the SEBI Takeover Regulations.
- Further, the Promoters who are Directors of the Company, in their capacity as Directors, had not participated in the deliberations pertaining to the buy-back of securities and had further abstained from voting on the resolution at the Board of Directors meeting held on August 08, 2015, where the proposal for Buyback was discussed and passed. Moreover, such increase in voting rights of the Promoter and Promoter Group will be consequential and indirect in nature and the resultant voting rights of the Promoter and Promoter Group after the Buyback Offer shall be within the limit of permissible maximum non-public shareholding in the Company as prescribed under clause 40A of the Listing Agreement entered into with the Stock Exchange read with the Securities Contracts (Regulations) Rules, 1957.
- The Company hereby undertakes and confirms that post Buyback, the non-promoter shareholding of the Company will not fall below the minimum level required as per the listing conditions / agreement.

7) AUTHORITY FOR THE BUYBACK

Pursuant to Sections 68, 69 and 70 and other applicable provisions of the Act, the SEBI Buyback Regulations and in terms of Article 10 of the Articles of Association of the Company, the Buyback through a tender offer route has been duly authorized by the resolution passed by the Board of Directors of the Company at their meeting held on August 08, 2015 and the Shareholders of the Company vide a Special Resolution, passed through the Postal Ballot.

8) NECESSITY OF THE BUYBACK

The Board of Directors of the Company is of the view that the proposed Buyback will help the Company to achieve the following objectives:

(a) Optimize returns to shareholders; and (b) Enhance overall shareholders value.

The above objectives will be achieved by returning part of surplus cash back to Shareholders through the Buyback process. This may lead to reduction in outstanding Shares, improvement in Earnings Per Share and enhanced return on invested capital. The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.

9) MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF BUYBACK ON THE COMPANY

- 9.1 The Buyback is not likely to cause any material impact on the profitability / earnings of the Company. Assuming there is full response to the Buyback, the funds deployed by the Company towards the Buyback would be Rs. 8,16,90,000 (Rupees Eight Crores Sixteen Lacs Ninety Thousand Only)
- 9.2 The Buyback is expected to result in overall enhancement of the shareholders' value and will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.
- 9.3 The Persons in Control of the Company have vide their letters dated August 08, 2015 confirmed that they will offer Shares held by them under the Buyback. The Buyback of Shares will not result in a change in control or otherwise affect the existing management structure of the Company.
- 9.4 Assuming response to the Buyback is to the extent of 100% (Full Acceptance), the aggregate shareholding of the Persons in Control, post Buyback will increase to **74.90%** from **62.55%** pre Buyback, and the aggregate shareholding of the Public in the Company shall reduce to **25.10%** post Buyback from **37.45%** pre Buyback.
- 9.5 Consequent to the Buyback and based on the number of Shares bought back from the non-resident shareholders, foreign institutional investors, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding pattern of the Company would undergo a change.
- 9.6 The Buy Back of Equity Shares shall not result in a change in control or otherwise affect the existing management structure of the Company.
- 9.7 The Company confirms that the debt-equity ratio post Buyback will be compliant with the permissible limit of 2:1 prescribed by the Act, even if the response to the Buyback is to the extent of 100% (Full Acceptance).
- 9.8 The Persons in Control of the Company have *vide* their letter dated September 08, 2015 confirmed that they will not deal in the Shares of the Company during the period of the

Buyback.

9.9 The Company shall not issue any shares or other specified securities including by way of bonus Shares till date of closure of the offer made under the Regulation

9.10 Salient financial parameters consequent to the Buyback based on the latest audited results as on March 31, 2015 are as under:

| Parameters | Pre-Buyback | Post-Buyback |
|--|--------------|--------------|
| Networth (Rs.) | 74,86,32,421 | 66,69,42,421 |
| Return on Networth (%) | (1.67) | (1.87) |
| Earnings per Share (Rs.) | (1.15) | (1.53) |
| Book Value per Share (Rs.) | 68.71 | 81.61 |
| P / E as per the latest audited financial results* | (29.10) | (21.90) |
| Total Debt / Equity Ratio | 0.01 | 0.01 |

* P/E Ratio based on the closing market price as on March 23, 2015 i.e. Rs. 33.50 (BSE)

The post Buyback numbers are calculated by reducing the net worth by the proposed buyback amount (assuming full acceptance) without factoring any impact on the profit & loss account

10) BASIS OF CALCULATING THE BUYBACK PRICE

10.1 The Buyback price of Rs. 30/- per Equity Share has been arrived at after considering prevailing stock market conditions, stock performance over the last two weeks immediately preceding the date on which notice of the Board Meeting convened to consider the proposal for Buy-back was given to the Stock Exchange, i.e. August 04, 2015 and the possible impact of the Buyback on the Earnings Per Share ("EPS") and financial ratios of the Company and other relevant considerations.

10.2 The average closing market price of the Equity Shares of the Company two weeks prior to the date of notice convening the Board Meeting for considering the Buyback was given to Stock Exchange i.e. on August 04, 2015 was Rs. 26.70 on BSE. The Buyback Price of Rs. 30 amounts to a premium of **12.36%** to the average closing market price two weeks prior to the date of notice to Stock Exchange for considering the Board Meeting on BSE. (Source: www.bseindia.com)

10.3 The average closing market price of the Equity Shares of the Company three months prior to the date of notice given to Stock Exchange for convening the Board Meeting for considering the Buyback on August 04, 2015 was Rs. 28.73 on BSE. The Buyback Price of Rs. 30 amounts to a premium of **4.44%** to the average closing market price three months prior to the date of notice to Stock Exchange for considering the Board Meeting on BSE. (Source: www.bseindia.com)

10.4 The Equity Shares of the Company did not trade on the date of intimation of the date of the Board meeting for considering the Buyback, being August 04, 2015 (Source: www.bseindia.com)

10.5 The Buyback price is being offered at a discount of 56.34% over the Company's Book Value per share of Rs. 68.71 as at March 31, 2015.

10.6 The EPS of the Company pre-Buyback as on March 31, 2015 is Rs. (1.15) which will increase to Rs. (1.53) post Buyback assuming full acceptance of the Buyback. (please refer clause 9.10 above)

10.7 The Return of Networth of the Company pre Buyback as on March 31, 2015 is (1.67)% which

will increase to (1.87)% post Buyback assuming full acceptance of the Buyback (please refer clause 9.10 above)

11) SOURCES OF FUNDS FOR THE BUYBACK

- 11.1 Assuming full acceptance, the funds that would be employed by the Company for the purpose of the Buyback would be upto Rs. 8,16,90,000 (Rupees Eight Crores Sixteen Lacs Ninety Thousand Only).
- 11.2 The Buyback Size of upto Rs. 8,16,90,000 (Rupees Eight Crores Sixteen Lacs Ninety Thousand Only) represents 11.25% of the aggregate of the paid up Equity Share Capital and free reserves of the Company as at March 31, 2015.
- 11.3 The maximum number of Shares to be bought back in the Buyback is 27,23,000 Equity Shares. The number of Shares to be bought back would constitute 24.99% of Equity capital of the Company, as on March 31, 2015.
- 11.4 The Shares shall be bought back at a price of Rs. 30/- per Equity Share.
- 11.5 The Company vide its letter dated September 07, 2015 has confirmed that the funds for the Buyback will be made available from the current surplus and / or cash balances and / or internal accruals of the Company.
- 11.6 The Company does not propose raising debt for buying back Shares. However, the Company may continue to borrow funds in the ordinary course of its business.

12) DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN

- 12.1 In accordance with Regulation 10 of the SEBI Buyback Regulations, an Escrow agreement has been entered into amongst the Company, Saffron Capital Advisors Private Limited and HDFC Bank Limited (the “Escrow Agent”) on September 09, 2015 and in accordance with the same the Company has opened an escrow account in the name and style “**Vyapar Industries Limited Buyback Escrow Cash A/c**” bearing account number **00600350141095**. The Company shall deposit requisite amount in the form of cash deposit and Saffron Capital Advisors Private Limited (Manager to the Buyback) shall be empowered to operate the Escrow Account in accordance with the Regulations.
- 12.2 Mr. Salim A. Kantawala, Chartered Accountant, located at 7th Floor, Room No.18, Tardeo Air Conditioned Market, Tardeo, Mumbai; Email: salimkantawala@hotmail.com; having Membership Number: 38859, has certified, vide letter dated August 08, 2015 that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback.
- 12.3 Based on the aforementioned certificate, the Manager to the Buy Back confirms that it is satisfied that firm arrangements for fulfilling the obligations under the Buy Back are in place and that the Company has the ability to implement the Buy Back in accordance with the Buy Back Regulations.

13) CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 13.1 The present capital structure is as follows:

| Particulars | (Rupees in Lacs) |
|---|------------------|
| | Pre-Buyback |
| Authorised Share Capital- 1,20,00,000 Equity Shares of Rs.10 each | 1200.00 |

Source: Annual Report for FY 2015

- 13.2 Assuming response to the Buyback is to the extent of 100% (Full Acceptance), the paid-up

Equity Share Capital of the Company pre-Buyback and post-Buyback would be as follows:

(Rupees in Lacs)

| Particulars | *Pre-Buyback | Post-Buyback |
|------------------------------|--|--|
| Paid-Up Equity Share Capital | 1089.50 <i>(comprising of 10895000 fully paid-up Equity Shares of face value Rs. 10 each)</i> | 817.20 <i>(comprising of 8172000 fully paid-up Equity Shares of face value Rs. 10 each)</i> |

* Source: Annual Report for FY 2015

13.3 The Company confirms that there are no partly paid up Shares or outstanding instruments convertible into equity shares or preference shares as on the date of the Public Announcement.

13.4 The shareholding pattern of the Company pre-Buyback, taken as on September 23, 2015 (the date of Public Announcement), as well as the post Buyback Shareholding, are as shown below:

| Category of Shareholder | [§] No. of Shares Pre – Buyback | % to the existing Equity Share capital | No. of Shares -Post Buyback* | % to the existing Equity Share capital |
|--|--|--|------------------------------|--|
| Shareholding of Promoter / Promoter Group (“Persons in Control of the Company”) | 68,14,468 | 62.55 | ^{§§} 61,20,828 | 74.90 |
| Shareholding of the Non Promoter(s): | | | } 20,51,172 | 25.10 |
| Foreign Investors (including Non Resident Indians / FIIs/ Foreign Nationals/ Foreign Corporate Bodies) | 404008 | 3.70 | | |
| Financial Institutions /Banks & Mutual Funds/ Insurance Co. | - | - | | |
| Others (Individuals, Bodies Corporate, Employees, etc.) | 36,76,524 | 33.75 | | |
| Total | 1,08,95,000 | 100 | 81,72,000 | 100 |

[§] (Source: BENPOS received from the Registrar to the Buyback Offer)

^{§§} Promoter and Promoter Group may participate to the extent of maximum 13,00,000 Equity Shares in the Buyback Offer. However, at all times the shareholding of Promoter and Promoter Group shall not exceed maximum permissible Non-Public Shareholding of the post Buyback Paidup Capital of the Company

* Assuming full acceptance of Equity Shares in the Buyback Offer

13.5 The Buyback will be implemented from the existing shareholders, including Persons in Control of the Company. None of the Persons in Control of the Company will transact in the Shares of the Company during the period of the Buyback.

13.6 Company confirms that there is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Act.

13.7 During the last 3 years from the date of this Draft Letter of Offer, the Company has not bought back any Shares under any buyback programme.

14) BRIEF INFORMATION OF THE COMPANY

14.1 History of the Company

14.1.1 The Company was incorporated as “Bhagwan Investments & Trades Limited” vide Certificate of Incorporation dated April 27, 1983 issued by Registrar of Companies, Maharashtra. The name of the Company was changed to “Vyapar Holdings Limited” consequent on change of name vide fresh Certificate of Incorporation dated August 28, 2002

issued by Deputy Registrar of Companies, Maharashtra. The name of the Company was again changed to “Vyapar Industries Limited” vide fresh Certificate of Incorporation consequent on change of name dated July 11, 2003 issued by Deputy Registrar of Companies, Maharashtra. Company Identification Number of the Company is L65990MH1983PLC029875.

14.1.2 The Registered Office of the Company is located at 145, S V Road, Opp Khar Police Station, Khar West, Mumbai-400054 Maharashtra, India

14.1.3 The Equity Shares of the Company are currently listed on BSE only.

14.2 Business Overview

14.2.1 The Company specializes in Viscose Rayon Filament yarn, embroidery threads, sewing threads and other yarns. It also has an array of tailoring accessories meant specifically for domestic as well as the export market. At the national level Company imports/exports yarns and other stock & sells the same under its brand name. *Source: www.vyaparindustries.com*. For further details about the business activities of the Company kindly refer to its website www.vyaparindustries.com.

14.2.2 The total income of the Company for the financial years ended March 31, 2013-2015 was Rs. 6037.42 Lacs, Rs. 3984.34 Lacs and Rs. 711.52 Lacs respectively. Net profit/(loss) after Tax of the Company for the financial years ended March 31, 2013-2015 was Rs. 111.09 Lacs, Rs. 46.45 Lacs and Rs. (124.98) Lacs respectively. *(Source: Annual Report for financial years 2013-15 available on www.bseindia.com)*

14.3 Details of changes in Management

The Company was originally promoted by Sanwormal Todi (HUF), Nathumal Todi, Nathumal Todi (HUF), Shyamsunder N Todi, Mothilal Todi, Mothilal Todi (HUF), Purushottam Todi (HUF), Jagdish Todi, Babulal B Todi (HUF), Seetadevi Todi, Snehaprabha Todi, Gaurav S Todi, Adarsh S Todi, Geeta M Todi, Anjali Todi, Vinayaka Ice Creams Private Limited, Kamaladevi Todi, Madhav B Todi, Pooja Todi, Rishab Todi, Murari Todi, Suresh S Todi, Suman Todi, Kavita Todi, Mridula Todi, Priyanka J Todi and Pradeep Todi, (collectively “**Erstwhile Promoters**”). On March 05, 2002, Mr. Hussain Rassai and Mrs. Sakina Rassai, entered in to Memorandum of Understanding (“**MOU**”) with the Erstwhile Promoters for acquiring 129700 equity shares at a price of Rs. 10/- each representing 54.04% of the then paid up capital of the Company. Pursuant to regulations 10 and 12 of the (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, Mr. Hussain Rassai and Mrs. Sakina Rassai made an open offer to the then public shareholders of the Company for acquisition of 48000 equity shares representing 20% of the then paid up capital of the Company along with the acquisition of management control in the Company (“**Offer**”). Upon completion of Offer and consummation of the MOU, Mr. Hussain Rassai and Mrs. Sakina Rassai replaced the Erstwhile Promoters as new promoters of the Company.

14.4 Consolidation and Restructuring

- In the financial year 2012 – 13 the Promoter and Promoter Group of the Company acquired 537,970 Equity Shares constituting 4.94% of the paid-up equity share capital of the Company, resulting in increase of Promoter and Promoter Group shareholding from 30.80% as on March 31, 2012 to 35.74% as on February 13, 2013.
- On February 14, 2013 the Promoter and Promoter Group of the Company placed a Purchase Order of even date with Amit Jasani Financial Services Pvt. Ltd (“**Broker**”) to acquire upto 180,000 Equity Shares representing 1.65% of the paid up equity share capital of the Company.
- Pursuant to the abovementioned intent of the Promoter and Promoter Group to acquire more than 5% of the paid up equity share capital in a financial year beginning April 01, an obligation to give a Public Announcement making an open offer to the Public Shareholders of the Company was triggered and the Promoter and Promoter Group made a Public

Announcement mandatory Offer under regulation 3(2) of the SEBI Takeover Regulations to the public shareholders of the Company to acquire upto 28,34,000 Equity Shares of face value Rs. 10 each for at a price of Rs. 27.37 per Equity Share on May 03, 2013. The number of Equity Shares acquired in the Open Offer were 2,834,000 Equity Shares and the Promoter and Promoter Group shareholding increased to 67,56,643 Equity Shares constituting 62.02% of the paid up capital of the Company.

- Other than the aforesaid, the Company confirms that there have been no other events of consolidation and/or restructuring which have occurred in the past till date.

14.5 Capital Built-up of the Equity Share Capital

| Sr. No. | Date/Year of Allotment / (Extinguishment) of Shares | No. of Equity Shares Issued / (Extinguished) | Face Value per share (Rs.) | Reasons of Allotment / (Extinguishment) | Consideration (INR) | Cumulative Equity Shares | Cumulative Equity Share Capital (INR) |
|--------------|---|--|----------------------------|---|---------------------|--------------------------|---------------------------------------|
| 1 | * April 27, 1983 | 70 | 10 | Subscription to memorandum | 700 | 70 | 700 |
| 2 | * May 28, 1983 | 90000 | 10 | Further allotment | 900000 | 90070 | 900700 |
| 3 | * September 13, 1983 | 149930 | 10 | Public Issue | 1499300 | 240000 | 2400000 |
| 4 | October 09, 2003 | 960000 | 10 | Bonus Issue (Four Equity Shares for every One Equity Share held) | Other than Cash | 1200000 | 12000000 |
| 5 | May 03, 2004 | 160000 | 10 | Preferential Issue | 48000000 | 1360000 | 13600000 |
| 6 | March 09, 2005 | 4760000 | 10 | Bonus Issue (Seven Equity Shares for every Two Equity Share held) | Other than Cash | 6120000 | 61200000 |
| 7 | December, 13, 2007 | 4775000 | 10 | Equity Shares allotted pursuant to conversion of GDRs | 668500000 | 10895000 | 108950000 |
| Total | | | | | | 10895000 | 108950000 |

* Company does not have secretarial records for these allotments. Information is based on management representation.

14.6 The Details of the Board of Directors of the Company are as follows:

| Name, Age and DIN | Designation | Qualifications and Occupation | [§] Date of Appointment / Re-appointment | [§] Other Directorships/Partnerships in Indian Companies/LLPs on the date of Public Announcement |
|-------------------|-------------|-------------------------------|---|---|
|-------------------|-------------|-------------------------------|---|---|

| | | | | |
|---|---|--|------------------|--|
| Akeel Rassai 45 years DIN: 00021329 | ^{sss} Managing Director | B.Com, LL.B (G) Business | March 20, 2007 | <ul style="list-style-type: none"> • Beneficent Knowledge Parks And Properties Limited • Esoteric Realty Private Limited • Marconi Realty LLP |
| Hussein Rassai 46 years DIN: 00021454 | ^{sss} Whole-time Director and Joint Chairman | B. Arch Business | June 15, 2002 | <ul style="list-style-type: none"> • Beneficent Knowledge Parks And Properties Limited • Esoteric Realty Private Limited • Marconi Realty LLP |
| Abbas Rassai 74 Years DIN: 00044729 | ^{ssss} Non Executive Director | Business Matriculate | October 09, 2003 | NIL |
| Shabana Mistry 33 Years DIN: 07151253 | ^{ss} Wholetime Director & CFO | M.Com Service | March 24, 2015 | NIL |
| Ramesh Lalwaney 65 years DIN: 00023420 | Independent Director; Chairman of the Board | B.Sc & LL.M Advocate & Legal Consultant | March 26, 2009 | NIL |
| Parvez Master 43 years DIN: 00024845 | Independent Director | B.Sc, Accounting & MBA Service | April 29, 2009 | NIL |
| Hussain Cementwala 39 years DIN: 03611787 | Independent Director | B.com Business | May 03, 2011 | <ul style="list-style-type: none"> • Beneficent Knowledge Parks And Properties Limited |

^s as per details available on website www.mca.gov.in

^{ss}Ms Shabana Mistry is appointed as Wholetime Director for a period of five years commencing from March 24, 2015 to March 23, 2020, subject to approval from Shareholders in ensuing Annual General Meeting.

^{sss} Tenure of appointment of Mr. Akeel Rassai and Mr. Hussain Rassai as Managing Director and Wholetime Director respectively has expired on August 31, 2015. Company has sought their reappointment for a period of five years commencing from September 01, 2015, subject to approval from Shareholders in ensuing Annual General Meeting.

^{ssss} The tenure of Mr. Abbas Rassai as Wholetime Director expired on August 31, 2015.

14.7 Details of changes in the Board of Directors during last three years

The following changes have taken place in the Board of Directors of our Company during the last three years:

| Name of the Director | Date of Appointment | Date of Cessation of Directorship | Remarks |
|----------------------|---------------------|-----------------------------------|-------------|
| Shabana Mistry | March 24, 2015 | - | Appointment |

Consequent to the Buyback and depending upon the response to the Buyback offer, the holding of promoters would increase from the pre-Buyback Shareholding of 62.55% to a maximum post-Buyback Shareholding of 74.90%, (assuming that all the 2723000 Shares are bought back in the proposed

Buyback offer). The Buyback will not result in change in control or otherwise affect the existing management structure of the Company.

15) FINANCIAL INFORMATION ABOUT THE COMPANY

The salient financial information of the Company, as extracted from the audited results for the last three financial years is detailed below:

(Rs. in Lakhs)

| Key Financials | For the year ended on March 31, | | |
|---|---------------------------------|------------|------------|
| | 2015 | 2014 | 2013 |
| Net Sales | 544.96 | 3,715.46 | 5,711.65 |
| Other Income | 166.57 | 83.57 | 325.77 |
| Total Income | 711.52 | 3,799.03 | 6,037.42 |
| Total Expense (excluding Interest, Depreciation, Tax and Exceptional Items) | (852.25) | (3,732.19) | (5,862.67) |
| Interest Expense / (Income) | - | - | - |
| Depreciation | (8.25) | (5.58) | (6.67) |
| Exceptional Items | - | - | - |
| Profit Before Tax | (148.97) | 61.26 | 168.08 |
| Provision for Tax | 23.99 | (14.81) | (57.00) |
| Profit After Tax | (124.98) | 46.46 | 111.09 |
| Equity Dividend (including dividend tax) | - | - | - |
| Paid-up Equity Share Capital | 1,089.50 | 1,089.50 | 1,089.50 |
| Reserve & Surplus excluding revaluation reserves and capital reserves | 6,171.82 | 6,296.81 | 6,422.08 |
| Net worth excluding revaluation reserves and capital reserves | 7,261.32 | 7,386.31 | 7,511.58 |
| Loan Funds | - | - | - |
| Long Term Borrowings | - | - | - |
| Short Term Borrowings | - | - | - |
| Key Ratios | For the year ended on March 31, | | |
| | 2015 | 2014 | 2013 |
| No. of shares (as at end of the period) (in Lakhs) | 108.95 | 108.95 | 108.95 |
| Book value (Rs.) | 66.65 | 67.80 | 68.95 |
| Return on Net Worth excluding revaluation reserves and capital reserves (%) | -1.7% | 0.6% | 1.5% |
| Earnings Per Share (Rs.) | (1.15) | 0.43 | 1.02 |

| | | | |
|--|--|---|---|
| Debt / Equity Ratio | - | - | - |
| The key ratios have been computed as below: | | | |
| Key Ratios | Basis | | |
| Earnings per Share – Basic (Rs.) | Net Profit attributable to equity shareholders / Weighted average number of Shares outstanding during the year | | |
| Book value per Share (Rs.) | (Paid up Equity Share Capital + Free Reserves) / No of Equity Shares at the end of the year | | |
| Return on Net Worth excluding revaluation reserves (%) | Net Profit After Tax / (Paid up Equity Share Capital + Free Reserves) | | |
| Debt-Equity Ratio | Total Debt / (Paid up Equity Share Capital + Free Reserves) | | |

The Company shall comply with the SEBI Takeover Regulations wherever and if applicable. The Company hereby declares that it has complied with sections 68, 69 and 70 of the Companies Act, 2013, as amended and will comply with Regulation 23 of the SEBI Buyback Regulations, as and when applicable.

16) STOCK MARKET DATA

The Company's Shares are currently listed on BSE only. The high, low and average market prices in preceding three financial years (April to March periods) and the monthly high, low and average market prices for the six months preceding the date of Public Announcement from February 2015 to July 2015 and the corresponding volumes on BSE are as follows:

BSE

| Period | High (Rs.) | Date of High | No. of Shares traded on that date | Low (Rs.) | Date of Low | No. of Shares traded on that date | Average Price# | Total Volume traded in the period |
|---------------|------------|-------------------|-----------------------------------|-----------|-------------------|-----------------------------------|----------------|-----------------------------------|
| FY 2015 | 54 | June 16, 2014 | 328 | 31 | March 24, 2015 | 4,830 | 41.03 | 134,907 |
| FY 2014 | 53.9 | July 03, 2013 | 104,641 | 24.85 | May 03, 2013 | 1,340 | 40.21 | 1,849,413 |
| FY 2013 | 32.15 | October 31, 2012 | 1,442 | 20.2 | June 20, 2012 | 195 | 25.46 | 1,991,906 |
| July 2015 | 30.4 | July 04, 2015 | 12 | 25.25 | July 23, 2015 | 111 | 27.45 | 4,670 |
| June 2015 | No trading | | | | | | | |
| May 2015 | 33.6 | May 25, 2015 | 120 | 26.5 | May 07, 2015 | 40 | 30.85 | 425 |
| April 2015 | 33.95 | April 06, 2015 | 101 | 29.2 | April 17, 2015 | 50 | 31.29 | 2,287 |
| March 2015 | 34 | March 04, 2015 | 200 | 31 | March 24, 2015 | 4,830 | 33.08 | 5,857 |
| February 2015 | 37.95 | February 02, 2015 | 757 | 31.7 | February 13, 2015 | 100 | 34.65 | 6,151 |

(Source: www.bseindia.com)

Arithmetic average of Closing prices of all trading days during the said period

THE CLOSING MARKET PRICE OF THE EQUITY SHARES OF THE COMPANY:

- As on August 07, 2015 i.e. the trading day before August 08, 2015, being the date of Board Meeting approving the Buyback was Rs. 26.65 per Equity Share on BSE.
- There was no trading in the Equity Shares of the Company on August 08, 2015, i.e. the date of Board Meeting approving the Buyback on BSE.
- As on August 10, 2015 i.e. the trading day immediately after August 08, 2015 being the date of Board Meeting approving the Buyback was Rs. 26.50 per Equity Share on BSE.
- As on September 28, 2015 i.e. the trading day immediately after September 24, 2015 being the date of Public Announcement was issued, was Rs. 29 per Equity Share on BSE.

(Source: www.bseindia.com)

17) DETAILS OF THE STATUTORY APPROVALS

17.1 The Buyback is subject to the receipt of approval from the Reserve Bank of India (“**RBI**”), if any, for acquiring Shares validly tendered in the Buyback from Non-Resident Indians (“**NRI**”) and erstwhile Overseas Corporate Bodies (“**OCB**”). The Company, if required, will make necessary applications to RBI to obtain the requisite approvals on behalf of the shareholders in respect of whom such prior RBI approval may be required. The Company will have the right to make payment to the shareholders in respect of whom no prior RBI approval is required. It shall not accept Shares from the shareholders, in respect of whom prior RBI approval is required, in the event the aforesaid RBI approval is refused.

17.2 The Company has the option to make payment to the shareholders in respect of whom no RBI approval is required who have validly tendered their Shares in the Buyback as per the basis of acceptance (if any). In case of delay in receipt of the RBI approval, after the receipt of RBI approval, the payment shall be made to the shareholders in respect of whom prior RBI approval is required.

17.3 As of date, there is no other statutory or regulatory approval required to implement the Buyback, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback will be subject to such statutory or regulatory approvals. In the event that the receipt of the statutory / regulatory approvals are delayed, changes to the proposed timetable, if any, shall be intimated to the Stock Exchange, and hence made available for the benefit of Shareholders.

18) DETAILS OF REGISTRAR TO THE BUYBACK AND COLLECTION CENTRES

REGISTRAR TO THE BUYBACK



Bigshare Services Private Limited

E/2-3, Ansa Industrial Estate
Saki-Vihar Road, Sakinaka,
Andheri (E), Mumbai-400072

Tel No.: +91 22 4043 0200

Fax No.: +91 22 2847 5207

Email: ashok@bigshareonline.com

Website: www.bigshareonline.com

Investor Grievance Id: investor@bigshareonline.com

SEBI Registration Number: INR000001385

Contact Person: Mr. Ashok Shetty

Shareholders residing at a location where there is no collection centre, should send the Tender Form and relevant documents to the Registrar to the Buyback at its Mumbai office by mode mentioned herein below.

Collection Centres

The Tender Form can be submitted on any working day during the period of the Offer i.e. [●] (1●1) to [●] (1●1), (both the days inclusive), except Saturdays, Sundays & Public Holidays, at the below mentioned address between 10.30 A.M. to 04.30 P.M.:

Bigshare Services Private Limited
E/2-3, Ansa Industrial Estate
Saki-Vihar Road, Sakinaka,
Andheri (E), Mumbai-400072

Note: Shareholders can also send the Tender Form by courier/speed post/registered post so as to reach Registrar to Buyback, Mumbai, by superscribing the envelope as “Vyapar Industries Limited- Buyback Offer”. The Tender Form should reach Registrar to Buyback before 4.30 P.M. on [●] (1●1), failing which the same will be rejected.

19) ENTITLEMENT RATIO AND BASIS OF ACCEPTANCE OF SHARES

19.1.1 The Company proposes to buyback up to maximum of 27,23,000 fully paid up Equity Shares of face value Rs. 10 each, from the Existing Shareholder(s)/Beneficial owner(s) of Equity Shares of the Company through the Tender Offer Route in accordance with Sections 68, 69 and 70 and other applicable provisions of the Companies Act, 2013 and the SEBI Buyback Regulations, as amended, at a price of Rs. 30 per Share payable in cash for an aggregate amount of Rs. 8,16,90,000 (Rupees Eight Crores Sixteen Lacs Ninety Thousand Only). The Buyback size represents 11.25% of the paid-up Equity Share Capital and free reserves of the Company as on March 31, 2015. The maximum number of Equity Shares proposed to be bought back is 27,23,000 Equity Shares of face value Rs. 10 each, being 24.99% of the total paid up Equity Capital of the Company.

19.1.2 The Promoters / Promoter Group / Persons in Control do intend to offer a maximum of 13,00,000 Equity Shares under the proposed Buyback. The aggregate shareholding of the Persons in Control is 6814468 Equity Shares of face value Rs. 10 each out of total 10895000 Equity Shares of face value Rs. 10 each i.e. 62.55% of the existing Equity Share capital of the Company. Assuming response to the Buyback is to the extent of 100% (Full Acceptance), the aggregate shareholding of the Persons in Control post Buyback will increase to 74.90% of the post Buyback Equity Share capital of the Company.

19.1.3 RECORD DATE AND RATIO OF BUYBACK AS PER THE ENTITLEMENT IN EACH CATEGORY

- Board of Directors in their meeting held on September 23, 2015 have determined Monday, November 02, 2015 as Record Date for the purpose of determining the entitlement and the names of the shareholders, who are eligible to participate in the proposed Buyback Offer.
- The Shares to be bought back as a part of this offer is divided in to two categories
(a) Reserved category for Small Shareholders, and
(b) The General Category for other shareholders
- As defined in the SEBI Buyback Regulations, Small Shareholder means a shareholder of a listed company, who holds Shares whose market value, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date, is not more than rupees two lacs. As on Record Date, the closing price on BSE, was Rs. [●].
- Based on the above definition, there are [●] Small Shareholders in the Company with

aggregate shareholding of [●] Shares, as on Record Date, which constitutes [●]% of the outstanding number of Equity Shares of the Company and [●] % of the number of Equity Shares which the Company proposes to buyback as a part of this Offer.

- The entitlement of Small Shareholders as on Record Date in proportion to the total paid up capital of the Company is [●] equity shares $[(\text{[●]} / \text{[●]}) * \text{[●]}]$
- The number of equity shares offered for Small Shareholders in the Buyback Offer is **408450** being 15% of **2723000, which is the total number of shares proposed to bought back.**
- In compliance with Regulation 6 of the SEBI Regulations, the reservation for the Small Shareholders, **WILL BE HIGHER OF:-**
 - i) Fifteen percent of the number of securities which the company proposes to buy back i.e. 15% of 2723000 Equity Shares which works out to **408450** Equity Shares or
 - ii) The number of securities entitled as per their shareholding as on Record Date [i.e. $(\text{[●]} / \text{[●]}) * \text{[●]}$] which works out to be [●] Equity Shares.
- All the outstanding Equity Shares have been used for computing the Buyback Entitlement of Small Shareholders since the Promoter and Promoter Group also intends to participate in the Buyback Offer.
- **Based on the above and in accordance with Regulation 6 of the Buyback Regulations [●], Equity Shares being higher of point # i) and ii) above, have been reserved for Small Shareholders (“Reserved Buyback Size for Small Shareholders”).**
- Accordingly, General Category for Other Shareholders shall consist of [●] Shares (“**Balance Buyback Size**”).
- Based on the above entitlements, the ratio of Buyback for both categories is decided as below:

| Category of Shareholders | Ratio of Buyback |
|--|--|
| Reserved category for Small Shareholders | [●] Equity shares out of every [●] fully paid up Equity shares held on the Record date |
| General category of other shareholders | [●] Equity shares out of every [●] fully paid up Equity shares held on the Record date |

- **FRACTIONAL ENTITLEMENTS**
 - a. **Reserved category for Small Shareholders:**

For Equity Shares proposed to be bought back by the Company under this offer, if the number of Shares held by any of the Small Shareholders in the Reserved Category is less than [●] Equity Shares or is not in multiple of [●], the fractional entitlement of such Small Shareholders shall be ignored for computation of their entitlement to tender Shares in Buyback Offer. On account of ignoring the fractional entitlement, those Small Shareholders who are entitled to tender zero Equity Shares in the Buyback Offer will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender additional Equity Shares as part of the Buyback Offer. Such Small Shareholders will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for additional Equity Shares as part of the Buyback offer.

- b. **General Category of other Shareholders:**

For Equity Shares proposed to be bought back under this offer, if the shareholding of any of the Equity Shareholders in General category is not in multiple of [●] the fractional

entitlement of such Equity Shareholders shall be ignored for computation of entitlement in Buyback Offer.

19.1.4 BASIS OF ACCEPTANCE OF SHARES

Basis of Acceptance of Shares validly tendered in the Reserved Category for Small Shareholders:

Subject to the provisions contained in the Letter of Offer, the Company will accept the Equity Shares tendered in the Buyback Offer by the Small Shareholders in the Reserved Category in the following order of priority:

- 19.1.4.1 Full Acceptance of Equity Shares from Small Shareholders in the Reserved Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them whichever is less.
- 19.1.4.2 Post the acceptance as described in Clause 19.1.4.1 above, in case there are any Shares left to be bought back in the Reserved Category for Small Shareholders, the Small Shareholders who were entitled to tender zero Shares (on account of ignoring the fractional entitlement), and have tendered additional Shares as part of the Buyback offer, shall be given preference and one share each from the Additional Shares applied by these Small Shareholders shall be bought back in the Reserved Category.
- 19.1.4.3 Post the acceptance as described in Clauses 19.1.4.1 and 19.1.4.2 above, in case there are any Shares left to be bought back in the Reserved Category, the Additional Equity Shares tendered by the Small Shareholders over and above their Buyback Entitlement, shall be accepted in proportion of the Additional Shares tendered by them and the acceptances per shareholder shall be made in accordance with the Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Shares validly tendered by the Shareholder divided by the total Additional Shares validly tendered and multiplied by the total Pending number of Shares to be accepted in Reserved Category. For the purpose of this calculation, the Additional Shares taken into account for such Small Shareholders, from whom one Share has been accepted in accordance with Clauses 19.1.4.2 above, shall be reduced by one.
- 19.1.4.4 Adjustment for fractional results in case of proportionate acceptance, as described in Clause 19.1.4.3 above:
 - For any shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.1.5 Basis of Acceptance of Shares validly tendered in the General Category for Other Shareholders:

Subject to the provisions contained in the Letter of Offer, the Company will accept the Equity Shares tendered in the Buyback Offer by the Other Shareholders in the General Category in the following order of priority:

- 19.1.5.1 Full Acceptance of Equity Shares from Other Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them whichever is less.
- 19.1.5.2 Post the acceptance as described in Clause 19.1.5.1 above, in case there are any Shares left to be bought back in the General Category, the Additional Equity Shares tendered by the Other Shareholders over and above their Buyback Entitlement, shall be accepted in proportion

of the Additional Shares tendered by them and the acceptances per shareholder shall be made in accordance with the Regulations, i.e. valid acceptances per shareholder shall be equal to the Additional Shares validly tendered by the Shareholder divided by the total Additional Shares validly tendered and multiplied by the total Pending number of Shares to be accepted in General Category.

19.1.5.3 Adjustment for fractional results in case of proportionate acceptance, as described in Clause 19.1.5.2 above:

- a) For any shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- b) For any shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.1.6 **Basis of Acceptance of Shares between Categories:**

19.1.6.1 In case there are any Shares left to be bought back in one category (“Partially filled Category”) after acceptance in accordance with the above described methodology for both the Categories, and there are Additional unaccepted validly tendered Shares in the second Category, then the Additional Shares in the second Category shall be accepted proportionately i.e. valid acceptances per shareholder shall be equal to the Additional outstanding Shares validly tendered by a shareholder in the second Category divided by the total Additional outstanding Shares validly tendered in the second Category and multiplied by the total Pending number of Shares to be bought back in the Partially filled Category.

19.1.6.2 If the Partially filled Category is the General Category for Other Shareholders and the second Category is the Reserved Category for Small Shareholders, then for the purpose of this calculation, the Additional Shares tendered by such Small Shareholders, from whom one Share has been accepted in accordance with Clause 19.1.4.2, shall be reduced by one. If the Partially filled Category is the Reserved Category for Small Shareholders, then the methodology as provided and explained in point# 19.1.6.1 above, shall be followed.

19.1.6.3 Adjustment for fraction results in case of proportionate acceptance, as defined in Clause 19.1.6.1 above:

- o For any shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- o For any shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.1.7 For avoidance of doubt, it is clarified that the Shares accepted under the Buyback from each Shareholder, in accordance with Clause 19.1.3, 19.1.4, 19.1.5 and 19.1.6 above, shall not exceed the number of Shares tendered by the respective Shareholder.

19.1.8 For the avoidance of doubt, it is clarified that the Equity Shares accepted under the Buyback from each Shareholder, in accordance with Clause 19.1.3, 19.1.4, 19.1.5, 19.1.6 and 19.1.7 above, shall not exceed the number of Shares held by the respective Shareholder, as on the Record Date.

19.1.9 For the avoidance of doubt, it is clarified that the Equity Shares tendered by any Shareholder over and above the number of Shares held by such Shareholder as on the Record Date shall not be considered for the purpose of Acceptance in accordance with Clause 19.1.3, 19.1.4, 19.1.5, 19.1.6, 19.1.7 and 19.1.8 above.

20) **PROCESS AND METHODOLOGY TO BE ADOPTED FOR THE BUY-BACK**

- 20.1 The Buyback is open to all Equity Shareholders / beneficial owners of the Company holding Equity Shares either in physical and/or electronic form on the Record Date.
- 20.2 The Company proposes to effect the Buyback through Tender Offer route, on a proportionate basis. The Letter of Offer, outlining the terms of the Buyback Offer as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed to Equity Shareholders of the Company whose names appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records of Depositories, on the Record Date.
- 20.3 The Company will not accept any Equity Shares offered for Buyback where there exists any restraint order of a Court/ any other competent authority for transfer / disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.
- 20.4 The Company shall comply with Regulation 19(5) of the Buyback Regulations which states that the Company shall not buyback locked-in Equity Shares and non-transferrable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferrable.
- 20.5 Acceptance of any Shares tendered in excess of the Buyback Entitlement by the Shareholder, shall be in terms of procedure outlined in section 19 of this Draft Letter of Offer.
- 20.6 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.
- 20.7 The Buyback shall be implemented by the Company using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and following the procedure prescribed in the Act and the Buyback 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.
- 20.8 For implementation of the Buyback, the Company has appointed Choice Equity Broking Private Limited as the registered broker to the Company (the “Company's Broker”) through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company’s Broker are as follows:
- Choice Equity Broking Private Limited**
Shree Shakambhari Corporate Park, Plt No: -156-158, Chakravarti Ashok Complex,
Near Cambridge School, J.B. Nagar, Andheri (East), Mumbai - 400 099
Tel. No.: +91-22-6707 9999; **Email:** info@choiceindia.com;
Contact Person: Mr. Mahavir Toshniwal
- 20.9 The Company will request BSE to provide the separate Acquisition Window to facilitate placing of sell orders by Shareholders who wish to tender Equity Shares in the Buyback. The details of the platform will be specified by BSE from time to time.
- 20.10 All Eligible Persons may place orders in the Acquisition Window, through their respective stock brokers (“Seller Member(s)”).
- 20.11 During the Tendering Period, the order for selling the Shares will be placed in the Acquisition Window by Eligible Persons through their respective Seller Members during normal trading hours of the secondary market.
- 20.12 Seller Members can enter orders for demat Shares as well as physical Shares.
- 20.13 Modification / cancellation of orders and multiple bids from a single Shareholder will be

allowed during the Tendering Period of the Buyback offer. Multiple bids made by single Shareholder for selling the Shares shall be clubbed and considered as 'one' bid for the purposes of Acceptance.

20.14 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.

20.15 Procedure to be followed by Equity Shareholders holding Equity Shares in the dematerialised form

20.15.1 Shareholders who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective Seller Member by indicating to their Seller Member the details of Equity Shares they intend to tender under the Buyback.

20.15.2 The Seller Member would be required to transfer the number of Equity Shares by using the settlement number and the procedure prescribed by the Indian Clearing Corporation Limited (“ICCL”/“Clearing Corporation”) for the transfer of the shares to the special account of the Clearing Corporation before placing the bids/ orders and the same shall be validated at the time of order entry. The details of the special account of Clearing Corporation shall be informed in the issue opening circular that will be issued by BSE/ Clearing Corporation.

20.15.3 Shareholders will have to fill up the EVENT number issued by the Depository in the column for settlement details along with the market type as “Buyback”, ISIN, Quantity of Shares and CM BP ID of broker and execution date in the Delivery Instruction Slips (“DIS”) so that Shares can be tendered in Buyback.

20.15.4 For Custodian Participant orders for demat Shares, early pay-in is mandatory prior to confirmation of order by custodian. The custodian 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 confirmation and the revised order shall be sent to the custodian again for confirmation.

20.15.5 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.

20.15.6 Shareholders who have tendered their Equity Shares in the Buyback can ‘hand deliver’ the Tender Form duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the shares, along with the TRS generated by the exchange bidding system at the address of the Registrar to the Buyback Offer mentioned in section 27 of this Draft Letter of Offer. TRS will be generated by the respective Seller Members. Equity Shareholders who cannot hand deliver the Tender Form and other documents, may send the same by registered post / speed post, at their own risk, by superscribing the envelope as “Vyapar Industries Limited Offer 2015”, to the Registrar to the Buyback Offer at the address of the Registrar to the Buyback Offer mentioned in section 27 of this Draft Letter of Offer, so that the same are received within 2 (two) days of bidding by the Selling Member.

20.15.7 In case of non-receipt of the completed Tender Form and other documents, but receipt of Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Shareholders.

20.15.8 The Eligible Persons will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated buyback as decided by the Company.

20.16 Procedure to be followed by Registered Equity Shareholders holding Equity Shares in the Physical form

20.16.1 Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach their respective Seller Member along with the complete set of documents for verification procedures to be carried out including the:

- a) The Tender Form duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the shares.
- b) Original share certificates
- c) 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
- d) Self-attested copy of the Shareholder's PAN Card
- e) Any other relevant documents such as (but not limited to):
 - i. Duly attested Power of Attorney if any person other than the Equity Shareholder has signed the relevant Tender Form
 - ii. Notarized copy of death certificate / succession certificate or probated will, if the original Shareholder has deceased
 - iii. Necessary corporate authorisations, such as Board Resolutions etc., in case of companies
- f) In addition to the above, if the address of the Shareholder has undergone 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.

20.16.2 Seller Member should place bids on the Acquisition Window with relevant details as mentioned on the physical share certificate(s). 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 Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.

20.16.3 After placement of bid, as mentioned in Paragraph 20.16.2, the Shareholder must ensure delivery of Tender Form, TRS, original share certificate(s), valid share transfer form(s) & other documents (as mentioned in Paragraph 20.16.1) either by registered post or courier or hand delivery to the Registrar and Transfer Agent ('RTA') at the address mentioned in section 27 of this Draft Letter of Offer within 2 (two) days of bidding by Seller Member. The envelope should be superscribed as "Vyapar Industries Limited Buyback Offer 2015". One copy of the TRS will be retained by RTA and it will provide acknowledgement of the same to the Shareholder.

20.16.4 Shareholders holding physical shares should note that physical Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Shares for Buyback by the Company shall be subject to verification as per the Buyback 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 BSE shall display such bids as 'unconfirmed physical bids'. Once, RTA confirms the bids it will be treated as 'Confirmed Bids'.

20.16.5 In case any person has submitted Equity Shares in physical form for dematerialisation, such Equity Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buyback Offer before Closing Date.

20.17 IN CASE OF NON-RECEIPT OF THE LOF / FORM:

- a. **In case the Shares are in dematerialized form:** An Eligible Person may participate in the Offer by downloading the Tender Form from the website of the Company i.e www.vyaparindustries.com or by providing their application in writing on plain paper, signed

by all Equity Shareholders, stating name & address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ID, beneficiary account number and number of Equity Shares tendered for the Buyback.

- b. **In case the Shares are in physical form:** An Eligible Person may participate in the Offer by providing their application in writing on plain paper signed by all Equity Shareholders stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback Offer and the distinctive numbers thereof, enclosing the original share certificate(s), copy of Equity Shareholders' PAN card(s) and executed share transfer form in favour of the Company. The transfer form SH-4 can be downloaded from the Company's website www.vyaparindustries.com. Equity Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in paragraph 20.16.1), reach the collection centres before 5:00 PM on the Closing Date. If the signature(s) of the Equity Shareholders provided in the plain paper application differs from order (although attested), such applications are liable to be rejected under this Buyback Offer.

Please note that Eligible Person(s) who intend to participate in the Buyback will be required to approach their respective Seller Member (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Seller Member or broker in the electronic platform to be made available by BSE before the Closing Date.

The Company shall accept Equity Shares validly tendered by the Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Person(s) who intend to participate in the Buyback using the 'plain paper' option as mentioned in this paragraph are advised to confirm their entitlement from the Registrar to the Buyback Offer, before participating in the Buyback.

20.18 Non-receipt of this Letter of Offer by, or accidental omission to dispatch this Letter of Offer to any Eligible Person, shall not invalidate the Buyback Offer in any way.

20.19 The acceptance of the Buyback Offer made by the Company is entirely at the discretion of the Equity Shareholders of the Company. The Company does not accept any responsibility for the decision of any Equity Shareholder to either participate or to not participate in the Buyback Offer. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Equity Shareholders are advised to adequately safeguard their interest in this regard.

20.20 METHOD OF SETTLEMENT

Upon finalization of the basis of acceptance as per Buyback Regulations:

20.20.1 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.

20.20.2 The Company will pay the consideration to the Company's Brokers on or before the pay-in date for settlement. For Equity Shares accepted under the Buyback, the Seller Member / Custodian Participant will receive funds payout in their settlement bank account. The Seller Members /Custodian Participants would pay the consideration to their respective clients. The payment of consideration to all Shareholders validly participating in the Buyback will be made in Indian National Rupees.

20.20.3 The Equity Shares bought back in the demat form would be transferred directly to the escrow account of the Company (the "Demat Escrow Account") provided it is indicated by the Company's Brokers or it will be transferred by the Company's Broker to the Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchange.

- 20.20.4 Excess demat shares or unaccepted demat Shares, if any, tendered by the Shareholders would be returned to the respective Seller Members by Clearing Corporation as part of the exchange payout process, not later than [●]. In case of Custodian Participant orders, excess demat shares or unaccepted demat Shares, if any, will be returned to the respective Custodian Participant. The Seller Members / Custodian Participants would return these unaccepted shares to their respective clients on whose behalf the bids have been placed.
- 20.20.5 Physical Shares, to the extent tendered but not accepted, will be returned back to the Shareholders directly by RTA. The Company will issue a new single share certificate for all the unaccepted physical shares and return the same to the sole/first Shareholder (in case of joint Shareholders). Share certificates in respect of unaccepted / rejected Shares and other documents, if any, will be sent by Registered Post / Speed Post at the Shareholders' sole risk to the sole/first Shareholder (in case of joint Shareholders), at the address recorded with the Company, not later than [●].
- 20.20.6 Every Seller Member, who puts in a valid bid on behalf of an Eligible Person, would issue a contract note & pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted demat Equity Shares to their respective clients. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- 20.21 Shareholders who intend to participate in the Buyback should consult their respective Seller Members 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 Members, 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.
- 20.22 The Equity Shares lying to the credit of the Demat Escrow 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 Regulations.

21) NOTE ON TAXATION

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if securities transaction tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold will be subject to short term capital gains tax @ 15% provided the transaction is chargeable to STT.

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED BUY BACK THROUGH TENDER OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE PURCHASER DOES NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY SHAREHOLDER AS A REASON OF THIS BUY BACK.

THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES.

22) **DECLARATION BY THE BOARD OF DIRECTORS**

Declaration as required under clause (ix) and clause (x) of Part A of Schedule II to the Regulations, as under:

- a) The Board of Directors of the Company confirms 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.
- b) The Board of Directors of the Company hereby confirms that based on such full inquiry conducted into the affairs and prospects of the Company, and taking into account all the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the Act, the Board of Directors has formed an opinion that:
 - Immediately following the date of the Board meeting held on August 08, 2015, there are no grounds on which the Company can be found unable to pay its debts;
 - As regards the Company's prospects for the year immediately following the date of the Board meeting held on August 08, 2015, and having regard to the Board's intention with respect to the Management of 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; and
- c) In forming an opinion as aforesaid, the Board of Directors have taken into account the liabilities, as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities) This declaration is made and issued under the authority of the Board in terms of the resolution passed at the meeting held on August 08, 2015.

For and on behalf of the Board of Directors of Vyapar Industries Limited

Sd/-

Akeel Rassai
Managing Director

Sd/-

Hussain Rassai
Whole Time Director

- 23) The text of the report dated August 08, 2015 received from Mr. Salim A. Kantawala, Chartered Accountant, the statutory auditor of the Company addressed to the Board of Directors of the Company is reproduced below:

Quote

1. We have been informed that the Board of Directors of the Company in their meeting held on August 08, 2015 have decided to Buy-back Company's shares as allowed under Sections 68, 69 and 70 of the Companies Act, 2013 and Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998, ("**SEBI Regulations**") at a price of Rs. 30/- per share. In terms of the requirements of Clause (xi) of Schedule II, Part A of the SEBI Regulations, based on the information and explanations given to us which to the best of our knowledge and belief were necessary for this purpose, we report as follows:
 - i) We have inquired into the Company's State of Affairs in relation to its audited financial statements as at March 31, 2015;
 - ii) The amount of permissible capital payment towards buy-back of equity shares (including premium) in question as ascertained below in our view has been properly determined in

accordance with Section 68 and all other applicable provisions, if any, of the Companies Act, 2013 as amended:

(Rs. in Lacs)

| | | |
|---|----------|-----------------|
| Paid up Share Capital as on March 31, 2015 (1,08,95,000 equity shares of Rs. 10 each) | - | 1,089.50 |
| Free reserves as on March 31, 2015 | | |
| • Securities Premium Account | 6,207.50 | |
| • Profit and Loss Account | (35.67) | 6171.83 |
| Total | | 7,261.33 |
| Maximum amount permitted for Buy-back i.e. 25% of the total paid up capital and free reserves as on March 31, 2015 | | 1815.33 |

**Calculation in respect to buy-back is done on basis of audited financial statements of the Company for the year ended March 31, 2015 which is not more than six months old from the date of offer document.*

Based on the representations made by the Company and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that the

- a) Board of Directors in their meeting held on August 08, 2015 have formed their opinion, as specified in clause (xi) of Part A of Schedule II of the Securities and Exchange Board of India (Buy Back 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.
2. Compliance with the provisions of the Act and the Regulations is the responsibility of the Company's management. Our responsibility is to verify the factual accuracy based on the procedures we performed.
3. We performed our procedures, in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). These procedures include examining evidence supporting the particulars above on a test basis.
4. This report has been prepared for and only for the Company and is in reference to proposed buy-back of Equity Shares in pursuance of the provisions of the Act and the Regulations and for no other purpose. We do not accept or assume any liability or duty of care for any other purpose, save where expressly agreed by our prior consent in writing.

Yours faithfully

Salim A. Kantawala, Chartered Accountant

Proprietor

Membership No. 38859

Date: August 08, 2015

Place: Mumbai

Unquote

24) DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Registered Office of the Company at 145, S V Road, Opp Khar Police Station, Khar West, Mumbai-400054 Maharashtra, India, between 11 a.m. and 5.00 p.m. on all working days except Saturdays, Sundays and Public Holidays during the Offer period:

- Certificate of Incorporation;
- Memorandum and Articles of Association of the Company;
- Annual reports of the Company for the financial years 2011 to 2015;
- Audited Financials for the period ended March 31, 2015;
- Copy of the certificate dated August 08, 2015 received from the statutory auditors of the

Company, Mr. Salim A. Kantawala, Chartered Accountant certifying that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback, in accordance with the Regulations;

- Copy of the certificate dated August 08, 2015 received from the statutory auditors of the Company, Mr. Salim A. Kantawala, Chartered Accountant in terms of clause (xi) of Part A to Schedule II of the Buyback Regulations;
- Copy of resolution passed by the Board of Directors at their meeting held on August 08, 2015 approving the Buyback;
- Copy of resolution passed by the Shareholders through Postal Ballot process on September 22, 2015 approving the Buyback;
- Copy of the Postal Ballot Notice dated August 08, 2015 to the Equity Shareholders;
- Copy of Declaration of Solvency and an affidavit verifying the same as per Form SH-9 of the Companies (Share Capital and Debentures) Rules, 2014;
- Copy of Public Announcement dated September 23, 2015 published in the newspapers on September 24, 2015 regarding Buyback of Equity Shares;
- Escrow Agreement dated September 09, 2015 between Vyapar Industries Limited, Saffron Capital Advisors Private Limited and HDFC Bank Limited;
- Confirmation letter by the Escrow Agent dated [●] that the Escrow Amount being 25% of the Buyback Offer has been deposited;
- SEBI letter no. [●] dated [●], 2015 issued for Draft Letter of Offer

25) DETAILS OF THE COMPLIANCE OFFICER

Mr. Anil Singla, Company Secretary
145, S V Road, Opp Khar Police Station,
Khar (West), Mumbai – 400054
Maharashtra, India.
Tel. No.: +91 22 6698 9111;
Fax No.: +91 22 6698 7010;
Email: vyapar@vyaparindustries.com

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 11 am. to 5 pm. on all working days except Saturdays, Sundays and Public Holidays.

26) DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS/BENEFICIAL OWNERS

- In case of any grievances relating to the Buyback (i.e.: non-receipt of Buyback consideration, Share certificate, demat credit, etc.) the investor can approach the Compliance Officer for redressal.
- If a Company makes any default in complying with the provisions of section 68 of the Act or any regulation made by the Securities and Exchange Board, for the purposes of clause (f) of sub-section (2) of section 68, the Company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to three lakh rupees and every officer of the Company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than one lakh rupees but which may extend to three lakh rupees, or with both.
- The address of the concerned office of the Registrar of Companies is as follows:

Registrar of Companies
Everest, 100, Marine Drive, Mumbai 400 002, India

27) DETAILS OF INVESTOR SERVICE CENTRE

In case of any query, the shareholders may contact the Registrar & Transfer Agent on any day during the Offer period, except Saturday, Sunday and Public holidays between 10.30 AM and 4.30 PM at the following address:

Bigshare Services Private Limited

E/2-3, Ansa Industrial Estate
Saki-Vihar Road, Sakinaka,
Andheri (E), Mumbai-400072

Tel No.: +91 22 4043 0200

Fax No.: +91 22 2847 5207

Email: ashok@bigshareonline.com

Website: www.bigshareonline.com

Investor Grievance Id: investor@bigshareonline.com

SEBI Registration Number: INR000001385

Contact Person: Mr. Ashok Shetty

28) DETAILS OF THE MANAGER TO THE BUYBACK

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



Saffron Capital Advisors Private Limited

605, Sixth Floor, Centre Point, Andheri-Kurla Road,
J. B. Nagar, Andheri (East), Mumbai - 400 059

Tel No.: +91 22 4082 0917/0906;

Fax No.: +91 22 4082 0999

E-mail: buybacks@saffronadvisor.com;

Website: www.saffronadvisor.com;

Investor grievance Id: investorgrievance@saffronadvisor.com

SEBI Registration Number: INM000011211

Contact Person: Mr. Amit Wagle / Ms. Harshika Thakkar

29) DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE DRAFT LETTER OF OFFER

As per Regulation 19(1)(a) of the Buyback Regulations, the Board of Directors of the Company accept full and final responsibility for the information contained in this Draft Letter of Offer. The Draft Letter of Offer is issued under the authority of the Board of Directors through resolution passed by the Board of Directors at their meeting held on September 30, 2015.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF VYAPAR INDUSTRIES LIMITED

Sd/-

Abbas Rassai
Non Executive Director

Sd/-

Akeel Rassai
Managing Director

Sd/-

Anil Kumar Singla
Company Secretary

Place: Mumbai

Date: September 30, 2015