

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF EQUITY SHARES OF VYAPAR INDUSTRIES LIMITED FOR BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER.
This Public Announcement is being made pursuant to the provisions of Regulation 8 (1) of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended and contains the disclosures as specified in Part A of Schedule II to these Regulations.
OFFER FOR BUYBACK OF UP TO 27,23,000 FULLY PAID UP EQUITY SHARES OF FACE VALUE OF Rs. 10 EACH AT A PRICE OF Rs. 30 PER FULLY PAID UP EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS.

1. DETAILS OF THE BUYBACK OFFER AND OFFER PRICE

1.1 Pursuant to the resolution passed by the Board of Directors of Vyapar Industries Limited ("the Company") on August 08, 2015, have recommended the proposal for buy back of equity shares of face value of Rs. 10 each ("Shares" or "Equity Shares") of the Company and sought approval of the equity shareholders of the Company, by a special resolution, through postal ballot notice dated August 08, 2015 ("Postal Ballot Notice"), the result of which was announced on September 22, 2015. By way of the said special resolution passed through postal ballot, the equity shareholders of the Company have approved the buy back of up to 27,23,000 fully paid-up Equity Shares from the existing shareholders / beneficial owners of Equity Shares of the Company, as on the Record Date (hereinafter defined), on a proportionate basis, through the tender offer process, in accordance with the provisions contained in Article 10 of the Articles of Association of the Company, Sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the provisions contained in the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as amended from time to time (the "Buyback Regulations") subject to approval(s) as may be necessary, from time to time from statutory authorities including but not limited to Securities and Exchange Board of India ("SEBI"), Stock Exchange ("Stock Exchange/BSE Limited"), Reserve Bank of India, etc. at a price of Rs. 30/- per Equity Share ("Buyback Price") payable in cash, for an aggregate maximum amount of up to Rs. 8,16,90,000 (Rupees Eight Crores Sixteen Lacs Ninety Thousand only) ("Buyback Size"). The Buyback Size represents 11.25% of the aggregate of Company's paid-up Equity Share Capital and Free Reserves as on March 31, 2015 which stands at Rs. 72,61,32,420.

1.2 The maximum amount required by the Company for the said Buyback aggregating to 8,16,90,000 (Rupees Eight Crores Sixteen Lacs Ninety Thousand only) will be met out of the free reserves and / or cash balances and / or internal accruals of the Company. The maximum amount proposed to be utilized for the Buyback will not exceed 25% of the paid up Equity Share capital and Free Reserves of the Company as on March 31, 2015. The Company proposes to buy back a maximum of 27,23,000 (Twenty Seven Lacs Twenty Three Thousand) fully paid-up Equity Shares ("Maximum Shares") of face value Rs. 10 each, in the proposed buyback through tender offer. Further, under the Act, the number of equity shares that can be bought back cannot exceed 25% of the total paid-up equity share capital of the company in that financial year. The Company proposes to Buyback up to 27,23,000 (Twenty Seven Lacs Twenty Three Thousand) Equity Shares representing 24.99% of the total paid up equity share capital of the Company and the same does not exceed the 25% limit.

1.3 The Buyback price of Rs. 30/- per Equity Share has been arrived at after considering the 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 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.

1.4 The Buyback Price per Equity Share represents a premium of 4.44% over the average closing prices of the Company's Equity Shares on BSE Limited ("BSE") for three months preceding the date of intimation to the BSE for the Board Meeting to consider the proposal of the Buyback. The Buyback Price is 12.36% over the average closing prices of the Company's Equity Shares on BSE for two weeks preceding the date of intimation to the BSE for the Board Meeting to consider the proposal of the Buyback. 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).

1.5 The Buyback Price amount to a discount of about 56.34% of the book value per Equity Share of the Company, which pre-Buyback, as on March 31, 2015, is Rs. 68.71. The earnings per Equity Share of the Company pre-Buyback for the financial year ended March 31, 2015 is Rs. (1.15) which will increase to Rs. (1.53) post Buyback assuming full acceptance of the Maximum Shares Offered in the Buyback. The return on net worth of the Company pre Buyback for the financial year ended March 31, 2015 is (1.87)% which will increase to (1.87)% post Buyback assuming full acceptance of the Maximum Shares Offered in the Buyback.

() denotes negative figures

2. NECESSITY FOR BUYBACK

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

- Optimize returns to shareholders; and
- Enhance overall shareholders value.

Accordingly, the proposed 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 EPS and enhanced return on invested capital. Further, 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.

2. DETAILS OF PROMOTER SHAREHOLDING AND INTENTION TO PARTICIPATE IN THE BUYBACK

2.1 The particulars of the Equity Shares of the Company held by the Promoter and Promoter Group and the Persons who are in control of the Company, as on the date of the Postal Ballot Notice, i.e. August 08, 2015 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 received from Registrar to the Buyback Offer)

2.2 The Promoter and Promoter Group and the Persons who are in control of the Company have vide their letter dated September 08, 2015 confirmed that they have not purchased or sold or transferred Equity Shares of the Company during six months preceding August 08, 2015, being the date of Board Meeting and date of Postal Ballot Notice.

2.3 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 Promoter and Promoter Group	Equity Shares held	% to the total paid up equity capital	Whether intends to participate	Maximum 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 650,000 Equity Shares each.

2.4 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:

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	(6,000)	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)

a) 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	(60,593)	100.00
4.	16.11.2005	(25,000)	108.20
5.	17.11.2005	(60,000)	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	23,865	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 proposed Buyback will be made to the existing shareholders, including Promoters, Promoter Group and Persons Acting in concert (such shareholders herein after collectively referred to as "Persons in Control") as on the Record Date. Persons in Control will include such persons as have been disclosed under the filings made by the Company from time to time under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, ("SEBI Takeover Regulations").

3. Pursuant to the proposed Buyback of Equity Shares and depending on the response to the Buyback Offer, the voting rights of the Promoter and Promoter Group in the Company may increase from 62.55% of the total voting rights of the Company to a maximum of 74.90% (assuming that the Maximum Shares offered are accepted). 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 vide letter dated September 22, 2015 confirmed that they have not voted in favour of 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.

4. Further, the Promoters who are Directors of the Company, in their capacity as Directors, had abstained from voting on the resolution at the meeting of the Board of Directors held on August 08, 2015, where the proposal for Buyback was 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 Exchanges read with Rule 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957.

5. The Promoter and Promoter Group undertake and confirm that they shall also comply with regulation 10(6) & 10(7) of the SEBI Takeover Regulations as per the timelines stipulated therein

6. The Board of Directors of the Company have confirmed 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.

7. The Board of Directors of the Company have confirmed 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
- Confirm that 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).

8. 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

To,
The Board of Directors
VYAPAR INDUSTRIES LTD
145, S V Road, Opp Khar Police Station, Khar West,
Mumbai, Maharashtra, 400052.

Dear Sirs,

Sub: Proposed Buy-back of Equity Shares of Vyapar Industries Limited "Company"

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 (x) 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:

- We have inquired into the Company's State of Affairs in relation to its audited financial statements as at March 31, 2015;
- 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	6171.83
• Profit and Loss Account	(35.67)	7,261.33
Total		1815.33
Maximum amount permitted for Buy-back i.e. 25% of the total paid up capital and free reserves as on March 31, 2015		

*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

- Board of Directors in their meeting held on August 08, 2015 have formed their opinion, as specified in clause (x) 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.
- 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.
- 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.
- 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. 038