

FOR ELIGIBLE EQUITY SHAREHOLDERS AND ELIGIBLE EMPLOYEES OF THE COMPANY ONLY

This is an Abridged Letter of Offer containing salient features of the Letter of Offer dated March 30, 2017 ("Letter of Offer"). You are encouraged to read greater details available in the Letter of Offer. Terms not defined herein shall have the meaning ascribed to them in the Letter of Offer.

THIS ABRIDGED LETTER OF OFFER CONTAINS 10 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

The Company has dispatched hard copy of the Abridged Letter of Offer alongwith the Composite Application Form ("CAF") to the Eligible Shareholders and Employee Application Form ("EAF") to Eligible Employees at their Indian addresses registered with their depository. You may also download the Letter of Offer from the websites of SEBI, the Stock Exchanges where the Equity Shares of our Company are listed i.e. BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") and the Lead Manager to the Issue i.e. Master Capital Services Limited at www.sebi.gov.in, www.bseindia.com, www.nseindia.com and www.mastertrust.co.in, respectively.

**VARDHMAN SPECIAL STEELS LIMITED**

Registered Office: Vardhman Premises, Chandigarh Road, Ludhiana-141010, Punjab, India;

Works: C-58, Focal Point, Ludhiana 141 010, India; **Tel:** 0161-2228943-48; **Fax:** 0161-2601048, 2220766;

Contact Person: Sonam Taneja, Company Secretary and Compliance Officer; **Email:** secretarial.lud@vardhman.com

Website: www.vardhmansteel.com; **CIN:** L27100PB2010PLC033930

Promoters of our Company: Please refer page 4 of the Letter of Offer and page 2 of this Abridged Letter of Offer

ISSUE DETAILS, LISTING AND PROCEDURE

ISSUE OF 1,35,70,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") FOR CASH AT A PRICE OF ₹ 50 PER RIGHTS EQUITY SHARE ("ISSUE PRICE") INCLUDING A PREMIUM OF ₹ 40 PER RIGHTS EQUITY SHARE AGGREGATING UP TO ₹ 6,785 LAKHS BY VARDHMAN SPECIAL STEELS LIMITED (THE "COMPANY" OR THE "ISSUER"). THE ISSUE COMPRISES OF ISSUE OF 1,23,70,000 RIGHTS EQUITY SHARES TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ON RIGHTS BASIS IN THE RATIO OF 2 RIGHTS EQUITY SHARES FOR EVERY 3 EQUITY SHARES HELD ON APRIL 10, 2017 (THE RECORD DATE) AGGREGATING UP TO ₹ 6,185 LAKHS AND A RESERVATION OF UPTO 12,00,000 RIGHTS EQUITY SHARES FOR THE ELIGIBLE EMPLOYEES ("THE EMPLOYEE RESERVATION PORTION") OF THE COMPANY AGGREGATING UP TO ₹ 600 LAKHS. THE ISSUE TO THE EXISTING EQUITY SHAREHOLDERS AND ELIGIBLE EMPLOYEES COLLECTIVELY REFERRED TO AS THE "ISSUE"). THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE "NET ISSUE". THE ISSUE PRICE IS FIVE TIMES THE FACE VALUE OF THE EQUITY SHARES.

The Equity Shares are listed on the BSE and NSE (together the "Stock Exchanges"). Our Company has received "in-principle" approvals from BSE and NSE for listing the Rights Equity Shares through their respective letters, dated March 08, 2017 and March 15, 2017. For the purposes of the Issue, the Designated Stock Exchange is BSE.

Procedure: If you wish to know about processes and procedures applicable to Issue, you may refer section titled "*Terms of the Issue*" on page 279 of the Letter of Offer, which can be downloaded from the websites of SEBI, BSE, NSE or the Lead Manager. You can also request the Lead Manager to the Issue or BSE or NSE to provide a hard copy of the Letter of Offer. Please note that in terms of Regulation 61(3) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("**SEBI ICDR Regulations**"), the Lead Manager to the Issue and Stock Exchanges may charge a reasonable amount for providing hard copy of the Letter of Offer.

ELIGIBILITY FOR THE ISSUE

Our Company is eligible to undertake the Issue in terms of Chapter IV of SEBI (ICDR) Regulations. As our initial listing was pursuant to relaxation by SEBI from applicability of Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957, we are eligible to make this Issue by making disclosures in the Letter of Offer as specified in Part A of Schedule VIII of the SEBI (ICDR) Regulations.



INDICATIVE TIMETABLE

Issue Opening Date	April 18, 2017		
Last date for receiving requests for Split Application Forms (SAFs)	April 25, 2017	Initiation of Refunds (on or about)	May 12, 2017
Issue Closing Date	May 02, 2017	Date of credit of Rights Equity Shares (on or about)	May 12, 2017
Finalisation of basis of allotment with the Designated Stock Exchange (on or about)	May 09, 2017	Commencement of trading of Rights Equity Shares on the Stock Exchanges (on or about)	May 15, 2017

The above time table is indicative and does not constitute any obligation on our Company or the Lead Manager.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of the Letter of Offer. **Investors are advised to refer to "Risk Factors" beginning on page 12 of the Letter of Offer and page 5 of the Abridged Letter of Offer before making an investment in the Issue.**

PRICE INFORMATION OF THE LEAD MANAGER	
Not applicable, being a Rights Issue	
Name of Lead Manager and Other Intermediaries & Agencies	
Name of Lead Manager and contact details 	Master Capital Services Limited SCO 22-23, Sector 9D, Madhya Marg, Chandigarh -160009, India Telephone: +91-172-4848000; Facsimile: +91-172-2745865 Email: ankita.nayyar@mastertrust.co.in Investor Grievance Email: mbd@mastertrust.co.in Website: www.mastertrust.co.in; Contact Person: Ankita Nayyar SEBI Registration Number: INM000000107
Names of Syndicate Members	Not Applicable, being a rights issue of equity shares
Name of Registrar to the Issue and contact details 	Alankit Assignments Limited 1E/13, Alankit Heights, Jhandewalan Extension New Delhi- 110055, India Telephone: 011- 42541234, 42541952(D), 42541956(D); Facsimile: 011- 41540064 Email: pankajg1@alankit.com; maheshcp@alankit.com Investor Grievance E-mail: info@alankit.com Website: www.alankit.in; Contact Person: Pankaj Goenka/ Mahesh Pandey SEBI Registration No.: INR000002532
Name of Statutory Auditors	M/s S.S. Kothari Mehta & Co., Chartered Accountants
Name of Credit Rating Agency and the rating or grading obtained, if any	Not Applicable, being a rights issue of equity shares
Name of Debenture trustee, if any	Not Applicable, being a rights issue of equity shares
Self-Certified Syndicate Banks	The list of banks is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html
Banker and Refund Banker to the Issue	Yes Bank Limited Nehru Centre, 9th Floor, Dr. A.B. Road, Worli, Mumbai – 110 021, India Telephone: 0124-4619205; Email: dlbtiservices@yesbank.in Website: www.yesbank.in; Contact Person: Qumarey Alam Khan
Non Syndicate Registered Brokers	Not Applicable, being a rights issue of equity shares
Details regarding website address(es)/ link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	Not Applicable, being a rights issue of equity shares

HISTORY AND BACKGROUND
<p>Vardhman Special Steels Limited (Our Company) was incorporated on May 14, 2010, as a Public Limited Company under the provisions of the Companies Act, 1956 and subsequently received its certificate of commencement of business on June 15, 2010. In the year 2011 pursuant to Scheme of Arrangement & Demerger between Vardhman Textiles Limited and Vardhman Special Steels Limited as sanctioned by the Hon'ble High Court of Punjab & Haryana, Chandigarh under Section 391-394 of Companies Act, 1956 dated January 12, 2011, the Steel business undertaking of Vardhman Textiles Limited got vested in our Company w.e.f. January 01, 2011.</p> <p>For further details, please refer section titled "About the Company-History and Certain Corporate Matters" beginning on page 109 of the Letter of Offer.</p>

PROMOTERS OF OUR COMPANY
<ol style="list-style-type: none"> Mr. S.P. Oswal, holds a Masters degree in Commerce and has an aggregate experience of more than 50 years in Textiles Industry. Before the Demerger of Steel Business undertaking of Vardhman Textiles Limited into the Company, the Steel Business undertaking was also looked after by Mr. S.P. Oswal in the capacity of Chairman and Managing Director of Vardhman Textiles Limited; Mrs. Shakun Oswal, holds a Bachelor degree in Arts and has an experience in the field of Investment activities; Mr. Sachit Jain has completed B.Tech & MBA and has an experience of more than 26 years in Textiles and Steel Industry. He had started his professional career with Hindustan Lever in 1989 before he joined Vardhman Group; Mrs. Suchita Jain, holds a Masters degree in Commerce and has an experience of more than 23 years in Textiles Industry; Ms. Soumya Jain has completed B.Sc. (Economics Honours) and is currently working with Vardhman Textiles Limited as an Executive; Ms. Sagrika Jain has completed B.Sc. (Economics and Finance Honours); Vardhman Textiles Limited, incorporated on 8th October, 1973 under the Companies Act, 1956 with the Registrar of Companies, Jalandhar, is engaged in manufacturing of all kinds of yarn and fabric (both grey and processed); <ul style="list-style-type: none"> The following promoters are engaged in the business of investment and lending activities:- <ol style="list-style-type: none"> Vardhman Holdings Limited was incorporated on 27th December, 1962 under the Companies Act, 1956 with the Registrar of Companies, Jalandhar; VTL Investments Limited was incorporated on 23rd February, 1994 under the Companies Act, 1956 with the Registrar of Companies,

Jalandhar;

10. **Santon Finance & Investment Company Limited** was incorporated on 22nd December, 1982 under the Companies Act, 1956 with the Registrar of Companies, Delhi & Haryana;
11. **Ramaniya Finance & Investment Company Limited** was incorporated on 7th June, 1983 under the Companies Act, 1956 with the Registrar of Companies, Delhi & Haryana;
12. **Flamingo Finance & Investment Company Limited** was incorporated on 22nd December, 1982 under the Companies Act, 1956 with the Registrar of Companies, Delhi & Haryana;
13. **Devakar Investment & Trading Company Private Limited** was incorporated on 8th May, 1980 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra;

- **The following promoters are in the business of dealing in goods and commodities, money lending, acting as commission agents or holding assets by way of investment and/or any other business or businesses is agreed upon from time to time:-**

14. **Eastern Trading Company** was constituted on 13th November, 1982;
15. **Northern Trading Company** was constituted on 16th October, 1982;
16. **Paras Syndicate** was constituted on 2nd May, 1980;
17. **Amber Syndicate** was constituted on 8th May, 1980;

- **Other promoters:-**

18. **Mahavir Spinning Mills Private Limited**, incorporated on 26th April, 1978 under the Companies Act, 1956 with the Registrar of Companies, Jalandhar, is mainly engaged in the business of trading in securities;
19. **Adishwar Enterprises LLP**, incorporated on 5th June, 2014 under the Limited Liability Partnership Act, 2008 with the Registrar of Companies, Chandigarh, mainly carries the business of investment and real estate; and
20. **Mahavir Shares Trust**, constituted on 18th January, 2005, holds shares issued and allotted to Mahavir Spinning Mills Limited (MSML) in lieu of shares of Vardhman Spinning & General Mills Limited (VSGML) held by MSML in the swap ratio pursuant to Scheme of Demerger between VSGML and MSML. The sole beneficiary of Trust is MSML (now known as Vardhman Textiles Limited) and its successors and assigns;

Listed group companies as required under Part A of Schedule VIII of SEBI (ICDR) Regulations is as under:

1. Vardhman Textiles Limited;
2. Vardhman Holdings Limited; and
3. Vardhman Acrylics Limited.

For further details of Promoters & Promoter Group and Group Companies including promoters/partners/trustees of all entities, please refer section titled “About the Company-Our Promoters, Promoter Group and Group Companies” beginning on page 125 of the Letter of Offer.

For details on Related party transactions, please refer section titled “Financial Information-Related Party Transactions on page 205 of the Letter of Offer.

BUSINESS MODEL/ BUSINESS OVERVIEW AND STRATEGY

The Company is engaged in the manufacturing of Billet, Steel bars and rods and bright bars of various categories of Special and Alloy Steels. The high-grade hot rolled bars manufactured by the Company are being used for varied applications in Engineering, Automotive, Tractor, Bearing and Allied Industries. Our Company also caters to various automobile forging companies with end users ranging from passenger cars to tractors, two wheelers, commercial vehicles and off high way vehicles. The Company also supplies steel for bearing applications and also is successfully delivering steel for forging applications in International markets of Thailand, Taiwan, Turkey, Russia and Spain. About 4% of the total production of the Company is exported.

Our Strategies: Our Company in next 5 years is looking forward to consolidate its niche segment supplies. For the same, approvals in pipeline of companies like Volvo, Isuzu, Ford, NTN and Toyota are being closely followed by dedicated team of business development cell. We plan to export to countries like Italy, Iran and Germany in year 2017. Our strategy is to increase share of exports sale from about 4 per cent currently to about 10 per cent of its total sales volume by 2018. Various marketing alliances have been done with marketing representatives in Italy and US to be followed by Germany. Company plans to create awareness about its capabilities, products and their quality by advertising in the relevant print media, participation in industrial trade exhibition and presentations to large scale customers. It will also focus on conducting technical workshops, seminars for customers/large scale end users to enhance their knowledge of steel used for forging applications and technical characteristics of forging steel.

For details of Industry, please refer section titled “About the Company-Industry Overview” beginning on page 82 of the Letter of Offer.

For further details on the business, please refer section titled “About the Company-Business Overview” beginning on page 85 of the Letter of Offer.

For SWOT analysis, please refer page 94-95 of the Letter of Offer.

For details of Key Regulations and Policies, please refer section titled “About the Company-Key Regulations and Policies” beginning on page 99 of the Letter of Offer.

BOARD OF DIRECTORS

Sr.No.	Name	Designation	Experience
1.	Mr. Prafull Anubhai	Non-Executive Chairman and Independent Director	Aged 79 years, B.Com, B.Sc (Eco. Hons.); Business Consultant having experience of more than 43 years and is associated with educational and research institutions like Indian Institute of Management (IIM, Ahmedabad), Ahmedabad Education Society (AES), Ahmedabad University, CSTEP (Centre for Science Technology and Policy), ATIRA etc. He is the Chairman of the Board of Management of the Ahmedabad University and also the member of the Governing Board of Ahmedabad Education Society.

2.	Mr. Sachit Jain	Managing Director	Aged 50 years, B. Tech (Electrical) and MBA; Started his professional career with Hindustan Lever in 1989 before he joined Vardhman Group and has an experience of over 26 years in the Textile and Steel Industry.
3.	Mrs. Suchita Jain	Non-Executive and Non-Independent Director	Aged 49 years, M.Com; Experience of more than 23 years in Textiles Industry and was instrumental in starting Fabric manufacturing (both grey and processed) in group company Vardhman Textiles Limited.
4.	Mr. Rajinder Kumar Jain	Non-Executive and Non-Independent Director	Aged 78 years, Chartered Mechanical Engineer; Retired as General Manager from Indian Railways after 35 years of service.
5.	Mr. B.K. Choudhary	Non-Executive and Non-Independent Director	Aged 65 years, B.Sc., M.Com and M.B.A; Experience of more than 43 years in Steel & Textiles Industry, is the Managing Director of Vardhman Acrylics Limited and also looks after one of the integrated Textile Unit of Vardhman Textiles Limited, namely, Vardhman Fabrics, Budhni.
6.	Mr. Jayant Davar	Independent Director	Aged 55 years, Mechanical Engineer; Experience of more than 29 years in the Auto Industry. He is also Chairman-cum-Managing Director of Sandhar Technologies Limited.
7.	Mr. Rajeev Gupta	Independent Director	Aged 59 years, B. Tech and M.B.A; Experience of more than 34 years in manufacturing, investment banking and private equity and has set up M&A Investment Banking Firm Arpwood Capital Ltd and Arpwood Partners, LLP.
8.	Mr. Sanjeev Pahwa	Independent Director	Aged 50 years, B. Tech; Experience of more than 25 years in the field of bicycle/ automobiles tyres & tubes industry & bicycle components and is also Chairman-cum-Managing Director of Ralson (India) Limited.
9.	Mr. Sanjoy Bhattacharyya	Independent Director	Aged 56 years, B.Sc (Statistics Hons.) and M.B.A.; Experience of more than 20 years in equities and investment management and has worked as the Chief Investment Officer of HDFC Asset Management Company and is now a Director of consulting firm, Management Structure & Systems Private Limited.

For further details of Directors, please refer section titled "About the Company-Our Management" beginning on page 112 of the Letter of Offer. Our Company has complied with the requirements of Corporate Governance contained in the Equity Listing Agreement, particularly those relating to composition of Board of Directors, constitution of committees such as Audit Committee, Shareholder / Investor Grievance Committee, etc. For further details, please refer the section titled "About the Company-Corporate Governance" beginning on page 121 of the Letter of Offer.

OBJECTS OF THE ISSUE

Details of Means of Finance

Particulars	Amount (₹ In Lakhs)
Proceeds of the Issue	6,785.00

Utilisation and Schedule of Deployment

(In ₹ lakhs)

Particulars	Amount (₹ In Lakhs)	Estimated Utilization of Net Proceeds until Fiscal 2018	Month/ Year of Commencement	Month/ Year of Completion
Reduction in Working Capital borrowings and funding of enhanced working capital requirements	2,000.00	2,000.00	May 2017	July 2017
Repayment of ECB (External Commercial Borrowing)	3,025.00	3,025.00	April 2017	June 2017
General Corporate Purposes	1,680.00	1,680.00	May 2017	July 2017
The Issue expenses*	80.00	80.00	November 2016	May 2017
Total	6,785.00	6,785.00		

*Issue expenses incurred before the receipt of Issue Proceeds have been/shall be met from Internal Accruals, to be reimbursed later.

Funds deployed till date

Our company has spent an amount of ₹ 25 lakhs (approximately) till date only towards Issue expenses, through Internal Accruals, which shall be reimbursed from the Issue Proceeds.

Name of monitoring agency, if any: In terms of Regulation 16 of the SEBI (ICDR) Regulations, there is no requirement for a monitoring agency as the size of the Issue does not exceed ₹ 50,000 lakhs.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/ rights issues, if any, of the Company in the preceding 10 years. - Not Applicable

Terms of Issuance of Convertible Security, if any: Not Applicable, being issue of equity shares.

For further details on Objects of the Issue, Basis of Issue price and Statement of Tax Benefits, please refer section titled "Particulars of the Issue" beginning on page 73 of the Letter of Offer.

SHAREHOLDING PATTERN AS ON DECEMBER 31, 2016

Sr.No.	Particulars	Pre Issue number of shares	% Holding of Pre issue
1.	Promoter & Promoter Group	1,39,11,409	74.97%
2.	Public	46,43,967	25.03%
	Total	1,85,55,376	100.00%

Number/ amount of Equity Shares proposed to be sold by selling shareholders – Not Applicable, being a rights issue

For details of ten largest shareholders and public shareholders holding more than 1% of pre-issue capital, please refer section titled “Introduction-Capital Structure” on page 68 of the Letter of Offer.

RESTATED FINANCIALS*

(₹ in lakhs)

Particulars	Ten months Period ended January 31, 2017 (Audited) As per IGAPP	Fiscal 2016 (Audited) As per IGAPP	Fiscal 2015 (Audited) As per IGAPP	Fiscal 2014 (Audited) As per IGAPP	Fiscal 2013 (Audited) As per IGAPP	Fiscal 2012 (Audited) As per IGAPP
Total Revenue	56,298.97	65,864.77	66,949.29	57,937.06	45,036.46	53,194.32
Profit / (Loss) before tax	1,799.89	490.25	(1,477.17)	(1,569.64)	679.16	4,432.10
Profit / (Loss) for the period	1,799.89	490.25	(1,478.02)	(1,194.74)	328.78	2,889.92
Share Capital	1,855.54	1,855.54	1,855.54	1,855.54	1,855.54	1,855.54
Reserves and Surplus	17,438.66	15,638.77	15,148.52	16,716.31	17,911.05	17,582.27
Net Worth	19,294.20	17,494.31	17,004.06	18,571.85	19,766.59	19,437.81

Particulars	Ten months Period ended January 31, 2017 (Audited) As per IGAPP	Fiscal 2016 (Audited) As per IGAPP	Fiscal 2015 (Audited) As per IGAPP	Fiscal 2014 (Audited) As per IGAPP	Fiscal 2013 (Audited) As per IGAPP	Fiscal 2012 (Audited) As per IGAPP
Basic EPS (₹) (Profit After tax/Number of Equity Shares)	9.70	2.64	(7.97)	(6.44)	1.77	15.78
Diluted EPS (₹) (Profit After tax/Number of Equity Shares)	9.70	2.64	(7.97)	(-6.44)	1.77	15.78
Return on Net Worth (Profit After tax / Net Worth i.e. (Share Capital+ Reserves & Surplus excluding revaluation reserve)	9.33%	2.80%	(8.69)%	(6.43%)	1.66%	14.87%
Net Asset Value per share i.e. (Share Capital + Reserves & Surplus excluding revaluation reserve) / Number of equity shares	103.98	94.28	91.64	100.09	106.53	104.76

* Since the Company did not have a subsidiary during the relevant accounting period, there is no distinction between standalone and consolidated.

For further details on restated financials, Management’s Discussion and Analysis, please refer section titled “Financial Information” beginning on page 165 of the Letter of Offer.

INTERNAL RISK FACTORS

The following ten internal risk factors are in the order appearing in the Letter of Offer:-

1. There are legal proceedings currently outstanding involving our Company, Promoters and Group Companies. Any adverse decision may render us liable to liabilities and may adversely affect our business, results of operations and profitability.
2. Our business is significantly dependent on our manufacturing facilities and the loss or shutdown of operations at our manufacturing facilities may have a material adverse effect on our business, financial condition, results of operations and cash flows.
3. Underutilization of capacity of our existing manufacturing facilities may adversely affect our business, results of operations and financial condition.
4. We derive a significant portion of our revenues from our top 5 (five) customers and any failure to maintain our relationships with such customers could have an adverse effect on our business, results of operations and profitability.
5. If we are unable to accurately forecast demand for our products, our business, cash flows, financial condition and prospects may be adversely affected.
6. Pricing pressure from our customers may adversely affect our profitability and results of operations.
7. Our products are subject to rejection by our customers if they do not meet the quality and technical requirements of our customers.
8. Our business is dependent on our continuing relationships with our customers, with whom we have not entered into long term arrangements.
9. We have not entered into any agreement in respect of long term supply for raw materials required by us and as such we are susceptible to fluctuations in the cost of raw materials.
10. We face competition in our businesses, which may limit our growth and prospects.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. Total number of material outstanding litigations against our Company and amount involved:

Sr. No.	Brief Description	No. of cases	Amount (to the extent quantifiable) (₹ in lakhs)
1.	Litigation involving Direct Tax Liabilities	1	7.16
2.	Litigation involving Indirect Tax Liabilities	10	26.41

B. Brief details of material outstanding litigations against our Company and amount involved:

Sr. No.	Particulars	Litigation filed by	Current status	Amount involved (in ₹ lakhs)
1.	Assistant/Additional Commissioner Excise had issued 6 number of show cause notices. Vide these show cause notices the department had disallowed the cenvat credit taken and raised a recovery of ₹3,17,848/- along with interest on account of the service received relating to transportation of hazardous waste on the ground that the definition of input service covers the outward freight only up to the place of removal. Deputy Commissioner Excise, Ludhiana has issued a show cause notice and disallowed the cenvat credit taken and raised a recovery of ₹ 1,23,333/- on the services related to "Transport of Goods by Road" (Total Amount as per Sr.No 1 = ₹3,17,848+₹1,23,333=₹4,41,181/-) Appeal filed by M/S Vardhman Special Steels Limited with Assistant Commissioner/CESTAT.	Assistant/Additional Commissioner Excise	Pending	4.41
2.	Deputy Commissioner Excise, Ludhiana had issued a show cause notice and disallowed the cenvat credit taken and raised a recovery of ₹4,15,723/- on account of availment of cenvat credit on the basis of wrong documents. Appeal filed by M/S Vardhman Special Steels Limited with CESTAT.	Deputy Commissioner Excise, Ludhiana	Pending	4.16
3.	Additional Commissioner (Audit) Commissionerate, Chandigarh had issued a show cause notice to recover ₹17,39,042/- due to difference in sale & transfer prices of billet. Appeal filed by M/S Vardhman Special Steels Limited with CESTAT.	Additional Commissioner (Audit) Commissionerate, Chandigarh	Pending	17.39
4.	Denial of Cenvat of ₹45,450/-, Appeal filed at CESTAT Delhi.	Assistant/Additional Commissioner Excise	Pending	0.45

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters / Group companies in last 5 financial years including outstanding action, if any: NIL**D. Brief details of outstanding criminal proceedings against Promoters:**

Litigation against Vardhman Textiles Limited:

S.No.	Title of the case	Nature of the case
(i)	Rattan Singh Banga vs. State of H.P. (FIR no. 4/13 dated 8-1-2013 - PS Barotiwala)	Complaint/FIR against the management of the company along with the officials of revenue department alleging illegal transfer of land measuring 2 bigha 3 biswa at village Bhatoli Kalan, Pargana Dharampur, Tehsil Baddi, District Solan (H.P) by the Company. The said land was conveyed to MSML (presently known as VTXL) vide Registered Sale Deed dated 24.09.2004 bearing Vasika No. 2376. Presently the matter is pending for consideration on FIR Cancellation report.
(ii)	State Vs. Amar Bahadur Yadav	Sapna Kewat complainant (an Employee of Vardhman Fabrics, Budhni of Weaving Division) has filed an FIR against Amar Bahadur Yadav (Operator in Vardhman Fabrics, Budhni) under section 337 & 338 for his negligent work which caused grievous injury to her left leg while working in shift in the Factory premises.

For further details on Outstanding Litigation and Other Material Developments, Government and Other Statutory Approvals and Other Regulatory and Statutory Disclosures please refer section titled "Legal and Other Information" beginning on page 245 of the Letter of Offer.

IMPORTANT INFORMATION**Rights Entitlement**

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Abridged Letter of Offer and CAFs only to Eligible Equity Shareholders who have a registered address in India. The distribution of the Abridged Letter of Offer and the issue of securities on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Any person who acquires Rights Entitlements or the Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Abridged Letter of Offer/CAF that such person is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, will not be, in any restricted jurisdiction. You can also download the Letter of Offer from the websites of SEBI, BSE, NSE or the Lead Manager.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to Eligible Shareholders in the ratio of 2 Rights Equity Share for every 3 Equity Shares held on the Record Date.

Terms of Payment

Investors shall have to make full payment of ₹ 50 per Rights Equity Share at the time of making an application.

Fractional Entitlements

For Rights Equity Shares being offered under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 3 Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored. Eligible Equity Shareholders whose fractional Rights Entitlements are being ignored would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. For example, if an Eligible Equity Shareholder holds 2 Equity Shares, he will be entitled to 1.32 Rights Equity Shares but fractional entitlement shall be ignored. He will also be given a preference for allotment of one additional Rights Equity Share if he has applied for the same. It

is clarified that the additional Rights Equity Shares, required in connection with the aforementioned allotments would be adjusted from the unsubscribed portion of the Issue, if any.

Also, those Equity Shareholders holding less than 2 Equity Shares and therefore entitled to 'Zero' Equity Shares under this Issue shall be despatched a CAF with 'Zero' entitlement. Such Equity Shareholders are entitled to apply for additional Rights Equity Shares and would be given preference in the allotment of one additional Rights Equity Share if, such Equity Shareholders have applied for the additional Equity Shares. However, they cannot renounce the same to third parties. CAFs with zero entitlement shall be non-negotiable/ non – renounceable.

Authority for the Issue

Pursuant to the resolution passed by our Board of Directors in its meeting dated October 28, 2016, Shareholders of the Company through Postal Ballot dated December 22, 2016 and Committee of Directors in its meeting dated January 23, 2017, it has been authorised to issue Right Equity Shares to the Existing Equity Shareholders and employees of the Company.

Our Company has obtained in-principle listing approvals dated March 08, 2017 and March 15, 2017 from BSE & NSE respectively.

Listing and trading of Equity Shares proposed to be issued

If permissions to list, deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Letter of Offer. If such money is not repaid within eight days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as per applicable law.

Subscription to the Issue by the Promoters and the Promoter Group

Our Promoter and Promoter Group have confirmed that they intend to, either through themselves or through other members of the Promoter and Promoter Group, subscribe to the full extent of their Rights Entitlement, in compliance with Regulation 10(4) of Takeover Regulations.

Minimum Subscription

If the Issuer does not receive the minimum subscription of ninety percent of the offer through offer document including devolvement of Underwriters within sixty days from the date of closure of the issue, the Issuer shall forthwith refund the entire subscription amount received within 70 days of the closure of Issue. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount i.e. 70 days, the Issuer shall pay interest as per applicable law.

Procedure for Application

The Application Form will be printed in black ink for all Eligible Equity Shareholders and Eligible Employees. The Application Form along with the Abridged Letter of Offer shall be dispatched through registered post or speed post at least three days before the Issue Opening Date.

In case the original Composite Application Form (CAFs) are not received by the Investor or is misplaced by the Investor, the Investor may request the Registrars to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID Number, Client ID Number and their full name and address. In case the signature of the Eligible Equity Shareholder(s) and Eligible Employees does not match with the specimen registered with the Depository Participant or our Company, the Application is liable to be rejected.

In case the original EAF is not received or is misplaced, the Eligible Employees may request the Registrar to the Issue, for issue of a duplicate EAF, by furnishing the employee identification number and PAN and their full name and address.

Neither the Company nor the Lead Manager nor the Registrar to the Issue shall be responsible for delay in the receipt of the Application Form/duplicate Application Form attributable to postal delays or if the Application Form/duplicate Application Form are misplaced in the transit. The request for a duplicate Application Form should reach the Registrar to the Issue within seven days from the Issue Opening Date. Investors should note that those who are making the Application in such duplicate Application Form should not utilize the original Application Form for any purpose, including renunciation, even if the original Application Form is received or found subsequently. If any Investor violates any of these requirements, they shall face the risk of rejection of both Applications.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, QIBs, Non- Institutional Investors (including all companies and bodies corporate) and other investors whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIBs and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 200,000. The Investors who are (i) not QIBs; (ii) not Non- Institutional Investors; or (iii) investors whose application amount is not more than ₹ 200,000, can participate in the Issue either through the ASBA process or the non ASBA process.

Accordingly, an eligible ASBA Investor is an Investor who:

- holds the Equity Shares in dematerialised form as on the Record Date and has applied towards his/her Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialised form;
- has not renounced his/her Rights Entitlements in full or in part;
- is not a Renouncee;
- applies through a bank account maintained with one of the SCSBs; and
- has not split the CAF.

Notwithstanding anything contained hereinabove, all Renouncees (including Renouncees who are Individuals) shall apply in the Issue only through the non-ASBA process.

Retail Individual Investors and Eligible Employees may optionally apply through the ASBA process, provided that they are eligible ASBA Investors.

Resident Eligible Equity Shareholders

Applications should be made only on the CAF enclosed with the Letter of Offer. The CAF should be complete in all respects, as explained in the instructions indicated in the CAF. An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an Application to subscribe to the Issue on plain paper. For further details, see the section titled "Terms of the Issue – Application on Plain Paper" on page 290 of Letter of Offer.

Non-Resident Eligible Equity Shareholders

The Non-Resident Indian shall be sent CAF at their Indian address only as per Company records. Other Non Resident Indian applicants can obtain the CAF from the Registrar to the Issue or Registered office of the Company. Application should be made only on the CAF. The CAF should be complete in all respects, as explained in the instruction indicated in the CAF. An Eligible Non Resident Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an Application to subscribe to the Issue on plain paper. For further

details, see the section titled “Terms of the Issue – Application on Plain Paper” on page 290 of Letter of Offer.

The Letter of Offer/ Abridged Letter of Offer and the Application Form shall be dispatched to only such Non-resident Shareholders who have a registered address in India or have provided an Indian address.

Eligible Employees

Eligible Employees shall be sent numbered EAFs. Applications should be made only on the EAF enclosed with the Abridged Letter of Offer. The EAF should be completed in all respects, as explained in the instructions indicated in the EAF. Applications will not be accepted by the Lead Manager or by the Registrar to the Issue or by our Bank at any offices except in the case of postal applications as per instructions given in the Letter of Offer.

Eligible Employees can also apply through the ASBA. For details see “Procedure for Application through the Applications Supported by Blocked Amount (“ASBA”) Process” on page 298 of Letter of Offer. ASBA Investors shall be required to indicate in the EAF as to whether they desire to avail of the ASBA option.

The CAF consists of four parts:

Part A: Form for accepting the Rights Equity Shares offered as a part of this Issue, in full or in part, and for applying for additional Rights Equity Shares;

Part B: Form for renunciation of Rights Equity Shares;

Part C: Form for application of Rights Equity Shares by Renouncee(s); and

Part D: Form for request for SAFs.

Options available to the Eligible Equity Shareholders

The CAFs will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to and shall have the following options:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

The Investors applying under the ASBA Process will need to select the ASBA option process in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the Designated Branch of the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAFs would be treated as if the Investor has selected to apply through the ASBA process option.

Option available to the Eligible Employees

Applications by Eligible Employees applying under the Employee Reservation Portion should be made only on the EAF.

Eligible Employees can participate in the Issue under the Employee Reservation Portion (pursuant to Regulation 55A of the SEBI ICDR Regulations), subject to the total consideration for Equity Shares applied for by Eligible Employee not exceeding ₹ 200,000. It is clarified that the Eligible Employees participating under the Employee Reservation Portion cannot renounce their right to participate in the Issue. Please note that Eligible Employees cannot make an application on a plain paper. Any application by an Eligible Employee other than through EAF shall be liable to be rejected.

Eligible Employees who are Eligible Equity Shareholders may also apply under the Net Issue. In such a case, application under the Net Issue and application under the Employee Reservation Portion shall not be considered as multiple applications.

CAF

The Registrar to the Issue will dispatch the CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Investors who wish to apply through the ASBA payment mechanism will have to select for this mechanism in Part A of the CAF and provide necessary details.

Investors desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A of the CAF only. Application in electronic mode will only be available with such SCSBs who provide such facility. The Investors shall submit the CAF to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account.

More than one (1) ASBA Investor may apply using the same ASBA Account, provided that the SCSBs will not accept a total of more than five CAFs with respect to any single ASBA Account.

EAF

The Registrar to the Issue will dispatch the EAF to all Eligible Employees on the Record Date.

Eligible Employees desiring to use the ASBA process are required to submit their Applications by selecting the ASBA option in the EAF. Application in electronic mode will only be available with such SCSBs who provide such facility. The Eligible Employees shall submit the EAF to the SCSB for authorising such SCSB to block an amount equivalent to the Application Money in the said bank account maintained with the same SCSB.

Please note, not more than five ASBA Applications can be submitted per bank account in the Issue. Eligible Employees applying under the ASBA process are also advised to ensure that the EAF is correctly filled up, stating therein the bank account number maintained with the SCSB in which an amount equivalent to the amount payable on Application as stated in the EAF will be blocked by the SCSB.

Application on Plain Paper

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with an account payee cheque drawn on a local bank at New Delhi or demand draft/ pay order (net of bank and postal charges) payable at New Delhi, which should be drawn in favour of “VSSL - Rights Issue - R” in case of resident shareholders/Investors and shareholders/Investors applying on non-repatriable basis or “VSSL - Rights Issue - NR” in case of non-resident shareholders applying on repatriable basis and the Eligible Equity Shareholders should send the same by registered post / speed post directly to the Registrar to the Issue. The envelope should be superscribed “VSSL - Rights Issue - R” in case of resident shareholders/Investors or

shareholders/Investors applying on non-repatriable basis or “VSSL - Rights Issue - NR” in case of non-resident shareholders/Investors applying on repatriable basis and should be postmarked in India.

The application on plain paper, duly signed by the Investors including joint holders, in the same order as per specimen recorded with our Company/Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of the Company, being Vardhman Special Steels Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Share certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
- Allotment option preferred - physical or demat form, if held in physical form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of ₹ 50 per Rights Equity Share;
- Particulars of cheque/demand draft/pay order;
- In case of Equity Shares allotted in physical form, Savings/Current Account Number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order. In case of Equity Shares held in dematerialized form, the Registrar shall obtain the bank account details from the information available with the Depositories;
- Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;
- If the payment is made by a draft purchased from NRE/FCNR/NRO account, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR/NRO account;
- **In case of ASBA applicants, details of ASBA Account such as the account number, name, address and branch of the relevant SCSB;**
- **In case of non-resident investors, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;**
- Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of our Company/Depositories); and
- Additionally, all such Applicants are deemed to have accepted the following:

"I/ We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933 (the "US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States") or to or for the account or benefit of a "U.S. Person" as defined in Regulation S of the US Securities Act ("Regulation S"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States.

I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of us, the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who, we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence."

Please note that Eligible Equity Shareholders who are making an application otherwise than on a CAF, (i.e., on plain paper as stated above on page 290 of Letter of Offer), shall not be entitled to renounce their rights and should not utilize the CAF for any purpose, including renunciation, even if it is received subsequently. If the Eligible Equity Shareholder does not comply with any of these requirements, he/she shall face the risk of rejection of both the applications and the Application Money received shall be refunded. However, our Company and/or any Director of our Company or the Lead Manager will, notwithstanding anything to the contrary contained herein, not be liable to pay any interest whatsoever on the Application Money so refunded.

The Eligible Equity Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in the application being rejected, with our Company, the Lead Manager and the Registrar to the Issue will not having any liability to such Eligible Equity Shareholders.

ELIGIBLE EQUITY SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH ASBA APPLICANT ON THE RECORD DATE. PLEASE NOTE THAT ELIGIBLE EMPLOYEES CANNOT MAKE AN APPLICATION TO SUBSCRIBE UNDER THE EMPLOYEE RESERVATION PORTION ON PLAIN PAPER. ELIGIBLE EMPLOYEES MAY APPLY IN THE ISSUE ONLY BY SUBMITTING THE EAF. ANY APPLICATION MADE OTHER THAN THROUGH THE EAF BY AN ELIGIBLE EMPLOYEE SHALL BE LIABLE TO BE REJECTED.

For details on the mode of payment, please see the headings “Mode of Payment for Resident Equity Shareholders/ Investors” and “Mode of Payment for Non-Resident Equity Shareholders/ Investors” on page 292 of the Letter of Offer.

For details on the mode of making refunds and refund payment to non-residents, please see the headings “Mode of Making Refunds” and “Refund Payment to Non-Residents” on page 307 and 308 respectively of the Letter of Offer.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

For details on the Procedure for Application by Mutual Funds, FPIs and FIIs, AIFs, FVCIs and VCFs, and Investment by NRIs, please refer page 309-310 of the Letter of Offer.

Payment by Stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the stockinvest scheme has been withdrawn with immediate effect. Hence, payment through stockinvest would not be accepted in this Issue.

Last date of Application

The last date for submission of the duly filled in Application Form or the plain paper Application is May 02, 2017. Our Board or any Committee thereof will have the right to extend the said date for such period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Renouncee(s), applying for all Rights Equity Shares renounced in their favour, can also apply for additional Rights Equity Shares in the Issue. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section titled "Terms of the Issue – Basis of Allotment" on page 305 of Letter of Offer. If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

For Rights Equity Shares being offered under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 3 Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored. Eligible Equity Shareholders whose fractional Rights Entitlements are being ignored would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. For further details please refer to the section titled "Terms of the Issue – Basis of Allotment" on page 305 of Letter of Offer.

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion would be added to the Net Issue. However, in case there is under-subscription in the Net Issue, the unsubscribed portion would not be met with spill over from over-subscription under the Employee Reservation Portion.

Our Company shall retain no oversubscription.

Renunciation

Any renunciation (i) from a resident Indian Eligible Equity Shareholder to a Non Resident, or (ii) from a Non Resident Eligible Equity Shareholder to a resident Indian, or (iii) from a Non Resident Eligible Equity Shareholder to a Non Resident, in light of the RBI Notification No. FEMA 20/2000-RB dated May 03, 2000, would not require approval from RBI, if such renunciation is made on the floor of the exchange, provided that in case of any renunciation from a resident Indian Equity Shareholder to a Non Resident, the offer price for the Rights Equity Shares should not be less than the price at which an offer is made to the resident Eligible Equity Shareholder. Any renunciation through a private arrangement would be subject to applicable pricing requirements prescribed by the RBI and/or seeking appropriate approvals from the RBI in this regard.

However, the right of renunciation is subject to the express condition that the Board shall be entitled, in its absolute discretion, to reject the request from the renounees for the allotment of Rights Equity Shares without assigning any reason thereof.

Eligible Employees participating under the Employee Reservation Portion cannot renounce their right to participate in the Issue. Any application made other than through the EAF by an Eligible Employee is liable to be rejected.

Renunciation under the ASBA Process

ASBA Investors can neither be Renounees, nor can renounce their Rights Entitlement. Eligible Employees participating under the Employee Reservation Portion cannot renounce their right to participate in the Issue.

Basis of Allotment

Subject to the provisions contained in the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the CAF, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares, For further details, please refer section titled "Offering Information-Basis of Allotment" on page 305 of the Letter of Offer.

DECLARATION BY THE COMPANY

We hereby certify that no statement made in the Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act or the rules made thereunder or regulations issued thereunder, as the case may be. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in the Letter of Offer are true and correct.

Date: March 30, 2017

Place: Ludhiana

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