SUPPLEMENTAL PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF

VARDHMAN HOLDINGS LIMITED

(Registered Office: Chandigarh Road, Ludhiana- 141 010)

This Supplemental Public Announcement is being issued by Sobhagya Capital Options Limited ("Manager to the Offer") for and on behalf of Pradeep Mercantile Company Private Limited (the "Acquirer") having its registered office at Vardhman Complex, Chandigarh Road, Ludhiana- 141010 and is to be read in continuation of and in conjunction with the Public Announcement dated September 25, 2009, Corrigendum to the Public Announcement dated December 03, 2009 (hereinafter collectively referred to as the "PAs") and Letter of Offer dated December 02, 2009 (the "Letter of Offer") to the shareholders of Vardhman Holdings Limited (the "Target") to acquire upto 252,163 fully paid up equity shares of Rs. 10/- each of the Target ("Share") representing 7.9% of the total paid-up equity share capital of the Target (the "Offer") as on September 25, 2009, pursuant to and in compliance with regulation 11(2A) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the "Regulations").

The Shareholders of the Target are requested to kindly note the following amendments with respect to the PAs and the Letter of Offer:

1. Revision in the Offer Price:

In terms of regulation 26 of the Regulations, the Acquirer intends to revise the Offer Price from Rs. 223.00 (Rupees Two Hundred and Twenty-Three Only) per fully paid up equity share to Rs. 283.00 (Rupees Two Hundred and Eighty-Three Only) per fully paid-up equity share payable in cash for all the valid acceptances in the Offer. Accordingly, the Offer size stands revised from Rs. 56,232,349 (Rupees Five crores sixty two lacs thirty two thousand three hundred and forty-nine only) to Rs.71,362,129 (Rupees Seven crores thirteen lacs sixty two thousand one hundred and twenty-nine only), assuming full acceptances of the Offer. Para 6.2 of the Public Announcement and Para 10.2.2 of the Letter of Offer shall stand revised accordingly.

In terms of regulation 28(9) of the Regulations, the Acquirer has deposited an additional amount, which is in excess of 10% of the incremental consideration payable upon such revision, in PMCPL- VHL Open Offer Escrow Account held with HDFC Bank Limited (the "Escrow Account"). Accordingly, the Escrow Account holds an amount aggregating Rs. 15,660,000 (Rupees One crore fifty six lacs sixty thousand only) as on December 14, 2009. Para 6.5 of the Public Announcement and Para 10.2.6 and 14.9 of the Letter of Offer shall stand revised accordingly.

M/s. Anil Sanjay & Associates (Mr. Sanjay Aggarwal, Partner, Membership No. 94717), having its office at 157-27, Old Cinema Road, Khanna- 141401, Punjab; Tel. No.: +91 1628 226669, the statutory auditors for the Acquirer, have, vide their certificate dated December 14, 2009, certified that the Acquirer has sufficient ready liquid funds available to fulfill its obligations arising out of the Offer. Para 6.3 of the Public Announcement and Para 10.2.3 and 14.3 of the Letter of Offer shall stand revised accordingly.

Revised offer price would be payable to all shareholders who have accepted this Offer and tendered their shares at any time during the term of the Offer to the extent to which their acceptances and tenders have been found valid and accepted by the Acquirer.

All other terms and conditions of the Offer as set forth in the PAs and the Letter of Offer are unchanged.

The Board of Directors of the Acquirer accepts full responsibility for the information contained in this Supplemental Public Announcement and also for the obligations of the Acquirer under the Regulations.

This Supplemental Public Announcement will also be available on the SEBI website at **www.sebi.gov.in**

Issued by the Manager to the Offer on Behalf of the Acquirer

LEAD MANAGER TO THE ISSUE

SOBHAGYA CAPITAL OPTIONS LTD.

SOBHAGYA CAPITAL OPTIONS LIMITED

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Sobhagya/041/2009

Place: Ludhiana

Dated: December 14, 2009