

## NOTICE

Notice is hereby given that the 40<sup>th</sup> ANNUAL GENERAL MEETING of Vardhman Textiles Limited will be held on Saturday, the 31<sup>st</sup> day of August, 2013 at 12.00 Noon at the Registered Office of the Company situated at Chandigarh Road, Ludhiana, to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, Statement of Profit and Loss for the year ended on that date, together with Reports of Board of Directors and Auditors thereon.
2. To declare Dividend.
3. a) To appoint a Director in place of Mr. A.K. Purwar, who retires by rotation in accordance with Article 108 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.  
b) To appoint a Director in place of Mr. D.L. Sharma, who retires by rotation in accordance with Article 108 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
4. To appoint Auditors for the year 2013-2014 and to fix their remuneration.

### SPECIAL BUSINESS:

5. To Consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:-

“RESOLVED THAT in supersession of the earlier resolution passed by the Members in their General Meeting of the Company held on 25th August, 2005 and pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956 and all other applicable provisions, if any, consent of the Members be and is hereby accorded to the Board of Directors of the Company to borrow monies together with monies already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) upto ₹ 2,200.00 crore (Rupees Twenty Two Hundred crore only) outstanding at any time in excess of the aggregate of its paid-up capital and free reserves.”

6. To Consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:-

“RESOLVED THAT pursuant to the provisions of Section 269, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. Neeraj Jain, be and is hereby re-appointed as an Executive Director of the Company for a period of three years with effect from 1st April, 2013 to 31<sup>st</sup> March, 2016 on a remuneration as detailed below:-

S.NO.	REMUNERATION	DETAILS
I.	Basic Salary	Basic Salary will be in the scale of ₹ 1,35,000 – ₹ 12,500 – ₹ 1,60,000 per month.
II.	Commission	Commission equal to 1% of the Net Profit of the Company subject to maximum of 75% of the Annual Basic Salary.

III.	Special Allowance	Special allowance @ ₹40,000 per month.
IV.	Other Allowances	Other allowances @ ₹10,500 per month.
V.	Perquisites	The perquisites shall be allowed in addition to basic salary, special allowance and commission. However, such perquisites shall be restricted to an amount equal to one year’s basic salary during each year as per details given below:-
	a) Housing	House Rent Allowance equal to 40% of basic salary.
	b) Medical Reimbursement	Reimbursement of medical expenses incurred by the appointee (including medi-claim insurance premium) on self and his family, subject to ceiling of one month’s basic salary in a year or three month’s basic salary over a period of three years.
	c) Leave Travel Concession	The expenses incurred on leave travel by the appointee on self and his family shall be reimbursed once in a year in accordance with the rules specified by the Company subject to a maximum of ₹ 40,000 per annum.
	d) Personal Accident Insurance	Premium not to exceed ₹ 5,000 per annum.
	e) Provident Fund & other funds	Contribution to provident fund, superannuation fund or annuity fund and this will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. The said contribution will also be subject to the rules framed by the Company in this respect.
	f) Gratuity	Gratuity payable shall not exceed half a month’s salary for each completed year of service and this shall not be included in the computation of ceiling on perquisites. This will, however, be subject to the ceiling prescribed by the Central Government from time to time.
	g) Car	Free use of Company’s car for official work as well as for personal purposes along with Driver.



**Explanation: "Family"** means the spouse, the dependent children and dependent parents of the appointee.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to vary/ alter at any time the remuneration, terms and conditions of the said appointment in such manner as may be approved by the Board of Directors of the Company and are acceptable to Mr. Neeraj Jain.

RESOLVED FURTHER THAT Mr. Sachit Jain, Executive Director, be and is hereby authorised to execute an agreement on behalf of the Company with Mr. Neeraj Jain."

7. To Consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:-**

"RESOLVED THAT pursuant to provisions of Section 309, 310, and other applicable provisions, if any, of the Companies Act, 1956, approval of the Members of the Company be and is hereby given to the enhancement of the sitting fees payable to the Directors of the Company from ₹ 15000/- and ₹ 10,000/- per Meeting to ₹ 20,000/- and ₹ 15,000/- per Meeting for attending the Board Meeting and Committee Meeting respectively."

**BY ORDER OF THE BOARD**

**PLACE : GURGAON  
DATED : 28th May, 2013**

**(KARAN KAMAL WALIA)  
Company Secretary**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.
2. The information pursuant to Corporate Governance Clause of the Listing Agreement(s) regarding the directors seeking appointment/re-appointment in the Annual General Meeting as proposed in Item No. 3 of the notice is also being annexed hereto separately and forms part of the Notice.
3. **The Register of Members and the Share Transfer Books of the Company shall remain closed from 19<sup>th</sup> August, 2013 to 31<sup>st</sup> August, 2013 (Both days inclusive).**
4. The Members holding shares in physical mode are requested to notify the change in their address, if any, at the earliest to the Registrar & Transfer Agent/Company. However, members holding shares in electronic mode may notify the change in their address, if any, to their respective Depository Participants.

5. The Securities and Exchange Board of India has made it mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents for payment of dividend through Electronic Mode to investors wherever bank details are available. In the absence of Electronic Clearing Services (ECS) facilities, the Company will print the bank account details, if available, on the payment instruments for distribution of dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/change in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Members who wish to change such bank account details are, therefore, requested to advise their Depository Participants about such change, with complete details of bank account.
6. Members desiring any information, as regards Accounts of the Company, are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
7. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day between 10.30 A.M. to 12.30 P.M.
8. Members are requested to bring their copy of Annual report along with them to the Annual General Meeting.
9. Members holding shares in the same/identical name(s) under different folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company/Registrar and Transfer Agent.
10. The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars allowing Companies to send official documents to their Members electronically.

In support of the Green Initiative, Your Company proposes to send the documents like Notice calling the Annual General Meeting and Annual Report containing Balance Sheet, Statement of Profit & Loss and Director's Report, etc. and other communications in electronic form.

The Members are requested to support this Green Initiative by registering/updating their e-mail addresses with the Depository Participant (in case of shares held in dematerialised form) or with Registrar & Transfer Agent-Alankit Assignments Limited, New Delhi (in case of shares held in physical form).

**BY ORDER OF THE BOARD**

**PLACE : GURGAON  
DATED : 28th May, 2013**

**(KARAN KAMAL WALIA)  
Company Secretary**

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

#### ITEM NO. 5 OF THE SPECIAL BUSINESS

Pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, the members in their General Meeting held on 27<sup>th</sup> August, 2005 had authorised the Board of Directors of the Company to borrow funds upto a limit of ₹ 1,200.00 crore over and above the paid-up capital and free reserves of the Company. Keeping in view of the on-going expansions of the Company and to provide for future requirements, it is proposed to increase the said limit of borrowings of the Company. The Board of Directors in its meeting held on 28<sup>th</sup> May, 2013, has approved the enhancement of the abovesaid borrowing limits from ₹ 1,200.00 crore to ₹ 2,200.00 crore. This enhancement in borrowing limit is subject to approval of Members of the Company. Accordingly, your approval is solicited for the same.

#### MEMORANDUM OF INTEREST:

None of the Directors of the Company is interested or concerned in the resolution.

#### ITEM NO. 6 OF THE SPECIAL BUSINESS

The Board of Directors in its meeting held on 31<sup>st</sup> March, 2010 had appointed Mr. Neeraj Jain as the Executive Director of the Company w.e.f. 1<sup>st</sup> April, 2010 for a period of three years. The said term of three years ended on 31<sup>st</sup> March, 2013. Therefore, the Board of Directors in its meeting held on 7<sup>th</sup> February, 2013 re-appointed Mr. Neeraj Jain as the Executive Director of the Company for a further period of three years w.e.f. 1<sup>st</sup> April, 2013. The terms and conditions of the remuneration

are detailed in the resolution. His appointment is subject to the approval of the Members. Accordingly, your approval is solicited.

#### MEMORANDUM OF INTEREST:

None of the Directors of the Company, except Mr. Neeraj Jain, the appointee himself, is interested or concerned in the resolution.

#### ITEM NO. 7 OF THE SPECIAL BUSINESS

Article 96 of the Articles of Association of your company provides for payment of sitting fee to every director for attending a meeting of the Board or its Committee subject to such maximum fee as may be prescribed by the Central Government from time to time. In terms of Circular No. G. S. R. 580 (E) dated 24.07.2003 issued by the Central Government, your Company can pay a maximum amount of ₹ 20,000/- as sitting fee for each meeting of the Board or its Committee thereof.

Keeping in view, the contribution, participation and valuable guidance of the Directors in the affairs of the Company, the Board of Directors of the Company in its meeting held on 28<sup>th</sup> May, 2013 had enhanced the sitting fee from ₹ 15,000/- to ₹ 20,000/- per meeting for attending Board meeting and from ₹ 10,000/- to ₹ 15,000/- per meeting for attending the Committee Meeting. This increase in sitting fee of Directors is subject to the consent of the Members in General Meeting. Accordingly, your approval is solicited.

#### MEMORANDUM OF INTEREST:

Except Mr. S.P. Oswal, Chairman & Managing Director, Mr. D.L. Sharma, Director, Mr. Sachit Jain, Mrs. Suchita Jain and Mr. Neeraj Jain, Executive Directors, all other Directors of the Company are concerned or interested in this resolution.



**Information Pursuant to Corporate Governance Clause of the Listing Agreement(s) regarding the Directors seeking re-appointment in the Annual General Meeting**

Name of the Director	Mr. A.K. Purwar	Mr. D.L. Sharma
Date of Birth	14.05.1946	10.11.1948
Date of Appointment	01.06.2007	08.05.1985
Expertise in specific functional area	Eminent Banker having experience of more than 39 years in Banking.	Business Executive having experience of more than 38 years in Textile and Sewing Thread Business.
Qualification	M.Com, PGDCA	B.Sc. (Engg.), M.B.A.
Directorships of Other Companies as on 31 <sup>st</sup> March, 2013	<ol style="list-style-type: none"> <li>1. Reliance Communications Limited</li> <li>2. Jindal Steel &amp; Power Limited</li> <li>3. Apollo Tyres Limited</li> <li>4. India Infoline Limited</li> <li>5. Jindal Power Limited</li> <li>6. C&amp;C Constructions Limited</li> <li>7. IL&amp;FS Renewable Energy Limited (IREL)</li> <li>8. Sri Kavary Medical Care (Trichy) Limited</li> <li>9. PHL Capital Private Limited</li> <li>10. PHL Finance Private Limited</li> <li>11. Vardhman Chemtech Limited</li> <li>12. India Venture Advisors Private Limited</li> <li>13. Energy Infratech Private Limited</li> <li>14. ONGC-Tripura Power Co. Private Limited</li> <li>15. Mizuho Securities India Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Vardhman Acrylics Limited</li> <li>2. VTL Investments Limited</li> <li>3. VMT Spinning Company Limited</li> <li>4. Vardhman Yarns &amp; Threads Limited</li> <li>5. Vardhman Nisshinbo Garments Company Limited</li> </ol>
Memberships of Committees of Other Companies as on 31 <sup>st</sup> March, 2013	<p><b>Investor's Grievance Committee:</b></p> <ol style="list-style-type: none"> <li>1. Reliance Communications Limited</li> </ol> <p><b>Audit Committee:</b></p> <ol style="list-style-type: none"> <li>1. Reliance Communications Limited</li> <li>2. Jindal Power Limited</li> <li>3. Sri Kavary Medical Care (Trichy) Limited</li> <li>4. ONGC Tripura Power Company Private Limited</li> <li>5. PHL Finance Private Limited</li> <li>6. PHL Capital Private Limited</li> </ol> <p><b>Remuneration Committee:</b></p> <ol style="list-style-type: none"> <li>1. Reliance Communications Limited</li> <li>2. IL&amp;FS Renewable Energy Limited (IREL)</li> </ol>	<p><b>Audit Committee:</b></p> <ol style="list-style-type: none"> <li>1. Vardhman Acrylics Limited</li> <li>2. VMT Spinning Company Limited</li> <li>3. Vardhman Yarns &amp; Threads Limited</li> <li>4. Vardhman Nisshinbo Garments Company Limited</li> </ol> <p><b>Investor's Grievance Committee:</b></p> <ol style="list-style-type: none"> <li>1. Vardhman Acrylics Limited</li> </ol>
No. of shares held in Company	NIL	3,319
Relationship with other Director(s)	Not related to any Director	Not related to any Director