



## VARDHMAN POLYTEX LIMITED

(CIN: L17122PB1980PLC004242)

Regd. Office: 341 K-1, Mundian Khurd, P.O. Sahabana, Chandigarh Road, Ludhiana-141 123

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E-Mail- vpl.sect@oswalgroup.com, Website: www.oswalgroup.com

### NOTICE OF POSTAL BALLOT

(Pursuant to Section 110 of the Companies Act, 2013)

Dear Member(s),

**NOTICE** is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred as the 'Act') read with the Companies (Management and Administration) Rules, 2014 (hereinafter referred as 'said Rules') that the Company is seeking consent of its members for the resolutions as set out in this notice are proposed to be passed by Postal Ballot. The explanatory statement pursuant to the provisions of Section 102 of the Act pertaining to the said resolutions setting out the material facts and reasons thereof alongwith the Postal Ballot Form are enclosed herewith for your consideration. The Company has appointed Mr. Bhupesh Gupta, Practising Company Secretary, as the Scrutinizer for conducting the Postal Ballot process including e-voting process.

The members are requested to carefully read the instructions printed overleaf the Postal Ballot Form as well as the Notice and return the Form duly completed in all respects so as to reach the Scrutinizer on or before the close of working hours i.e. **6.00 P.M. on 28.03.2015**.

The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny of the Postal Ballots received in electronic and physical mode. The result of the voting will be announced/declared by the Chairman of the Company or by such other person as may be authorized by him on **30.03.2015 at 10.00 A.M.** at the registered office of the Company. The result of the Postal Ballot and the scrutinizer's report will be displayed and posted on the Company's website **www.oswalgroup.com** and be communicated to the Stock Exchanges. The resolutions shall be taken as passed effectively from the date of announcement of the result.

#### E-voting Option

The Company is pleased to provide e-voting facility also as an alternative for the members which would enable them for casting of votes electronically, instead of sending Physical Postal Ballot Form. E-voting is optional. Please read carefully and follow the instructions for e-voting as provided under the 'Notes' to this Notice. The voting period will commence from **9.00 A.M. on 27.02.2015** and ends at **6.00 P.M. on 28.03.2015**. The e-voting module shall be disabled for voting thereafter.

#### PROPOSED RESOLUTIONS:

##### ITEM NO. 1

##### RAISING OF FUNDS UPTO RS. 300 CRORE BY ISSUE OF SECURITIES

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any amendment thereto or re-enactment thereof), (the "Companies Act"), the Foreign Exchange Management Act, 1999, as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended and the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended, rules, regulations, guidelines, notifications and circulars if any, prescribed by the Government of India, Reserve Bank of India, Securities and Exchange Board of India including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("ICDR Regulations") and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions, if and as applicable, of the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and/or all other appropriate and/or concerned authorities, and in accordance with the regulations, guidelines and clarifications issued by such authorities from time to time and subject to such applicable conditions and modifications, as may be prescribed by any of them while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company ("Board") (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution), if it thinks fit in the interest of the Company, the consent of the Company be and is hereby accorded to the Board to offer, issue and allot in one or more foreign markets or domestic markets, equity shares and/or other instruments non-convertible, convertible into or linked or exchangeable to equity shares, optionally or otherwise, including but not limited to Global Depository Receipts (GDR's)/American Depository Receipts(ADR's)/ Foreign Currency Convertible Bonds (FCCB's)/ Debentures along with or without warrants or any combination thereof (hereinafter referred to as "Securities") for an aggregate sum upto Rs. 300 Crore (Rupees Three hundred crore only), in Indian Currency and/or any other currency(ies) inclusive of such premium, with or without green shoe option and/or underwriting option as may be decided by the Board, secured or unsecured, to all eligible investors including Indian/Foreign/Resident/Non-resident Investors (whether Institutions, Corporate Bodies, Mutual Funds/Trusts/Foreign Institutional Investors/Banks and/or Individuals, or otherwise and whether or not such investors are Members, Promoters, Directors or their relatives/ associates, of the Company) through Public Issue(s), Preferential Allotment, Private Placement(s) or any other permitted mode or combination thereof or through Qualified Institutional Placement (QIP) in terms of various laws, guidelines and regulations including SEBI (ICDR) Regulations, if applicable,

and to such categories of investors and in such tranche or tranches, at such price or prices whether at a discount or premium to market price or prices in such manner and on such terms and conditions as the Board may in its discretion decide in consultation with the Book Runner(s)/Lead Manager(s), Underwriter(s), Advisor(s) to the Issue, so as to enable the Company to get the Securities listed at any Stock Exchanges in India and/or any other Overseas Stock Exchanges.

RESOLVED FURTHER THAT in case of a qualified institutional placement pursuant to Chapter VIII of the ICDR Regulations, the allotment of Securities (or any combination of the Securities as decided by the Board/ Committee) shall only be to Qualified Institutional Buyers within the meaning of the ICDR Regulations, such Securities shall be fully paid-up and the allotment of such Securities shall be completed within 12 months from the date of this resolution or such other time as may be allowed under the ICDR Regulations from time to time at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations. The Company may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the ICDR Regulations.

RESOLVED FURTHER THAT in the event that Equity Shares are issued to qualified institutional buyers under Chapter VIII of the ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares and at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations. In the event that convertible securities (as defined under the ICDR Regulations) are issued to qualified institutional buyers under Chapter VIII of the ICDR Regulations, the relevant date for the purpose of pricing of such securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities.

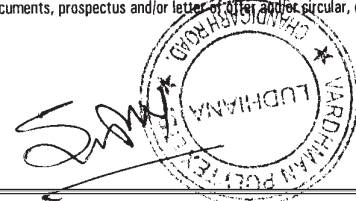
RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as American Depository Receipts ("ADRs") or Global Depository Receipts ("GDRs"), pursuant to the provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 and other applicable pricing provisions issued by the Ministry of Finance, the relevant date for the purpose of pricing the Equity Shares to be issued pursuant to such issue shall be the date of the meeting in which the Board or duly authorised committee of directors decides to open such issue after the date of this resolution.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of dividend, issue of additional Equity Shares, variation of the conversion price of the Securities or period of conversion of Securities into Equity Shares during the duration of the Securities and the Board or duly authorised committee of directors be and is hereby authorised in its absolute discretion in such manner as it may deem fit, to dispose of such of the Securities that are not subscribed.

RESOLVED FURTHER THAT the Board be and is hereby authorised to create, issue, offer and allot such number of Equity Shares as may be required to be issued and allotted, including issue and allotment of Equity Shares upon conversion of any depository receipts or other Securities referred to above or as may be necessary in accordance with the terms of the offer, all such Equity Shares shall rank pari passu inter se and with the then existing issued Equity Shares of the Company in all respects, subject to the provisions of the Memorandum of Association and Articles of Association of the Company and applicable laws and regulations including any rules and regulations of any of the stock exchanges.

RESOLVED FURTHER THAT the offer, issue and allotment of the aforesaid Equity Shares/ Securities shall be made at such time or times as the Board may in its absolute discretion decide, subject, however, to applicable guidelines, notifications, rules and regulations issued by competent statutory or regulatory authority and to decide and approve the other terms and conditions of the issue of the above mentioned Equity Shares/Securities and also shall be entitled to vary, modify or alter any of the terms and conditions, including size of the issue, as it may deem expedient subject to applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of terms and conditions for issuance of Securities including the number of Securities that may be offered in domestic and international markets and proportion thereof, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, entering into and executing arrangements for managing, underwriting, marketing, listing, trading and providing legal advice as well as acting as depository, custodian, registrar, stabilising agent, paying and conversion agent, trustee, escrow agent and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s), including but not limited to the preliminary and final offering documents, prospectus and/or letter of offer and/or circular, documents



and agreements including filing of registration statements, prospectus and other documents (in draft or final form) with any Indian or foreign regulatory authority or stock exchanges and sign all deeds, documents and writings, to issue bid and/or application forms and confirmations of allotment and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and take all steps which are incidental and ancillary in this connection, including in relation to utilisation of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorised on behalf of the Company to seek listing of any or all of such Securities on one or more stock exchanges in India or outside India and the listing of Equity Shares underlying the ADRs and/or GDRs on the stock exchanges in India.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers herein conferred to any Committee or any one or more executives of the Company."

#### ITEM NO. 2

#### TO SELL, TRANSFER OR DISPOSE OFF THE INVESTMENT HELD IN EQUITY SHARES OF OSWAL INDUSTRIAL ENTERPRISE PRIVATE LIMITED (OIEPL)

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT subject to the consents, approvals and permissions as may be required and in terms of the provisions of the Memorandum and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to the Board to sell, transfer or dispose off the investment held by the Company in the equity shares of Oswal Industrial Enterprise Private Limited (OIEPL) wholly or partly to any prospective buyer(s) which may include promoter/promoter group companies in one or more tranches at the negotiable/appropriate/fair market price.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company or a Committee thereof be and is hereby authorised to decide or identify the buyer, quantum of shares to be sold, negotiate price, to execute and sign necessary papers, documents and writings, settle any question or difficulty that may arise in regard to the proposed sale and to do all such acts, deeds, matters and things as may be deemed necessary and expedient for giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of directors or any director(s) or any other officer(s) of the Company in such manner as they may deem fit in their absolute discretion.

#### ITEM NO. 3

#### TO CONSIDER AND APPROVE THE RE-APPOINTMENT OF MR. ASHOK KUMAR OSWAL AS CHAIRMAN & MANAGING DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to the approval of Central Government, Banks/ Financial Institutions, if required, the consent of the members of the Company be and is hereby given for the reappointment of Mr. Ashok Kumar Oswal (DIN - 00009403) as Chairman & Managing Director of the Company w.e.f. 01.04.2015 for a period of three year i.e. 01.04.2015 to 31.03.2018 on the remuneration as per details given below:

1. **Salary:** Basic Salary Rs. 3,30,000/- (Rupees three lac thirty thousand only) per month and an annual increment @ 10% of last drawn basic salary.
2. **Commission:** 2.00% of the Net Profits.
3. **Perquisites:** The perquisites shall be allowed in addition to salary. However, such perquisites shall be restricted to an amount equal to one year's salary during the year as per details given below:
  - (a) **Housing:** Free residential accommodation alongwith free furnishing or House Rent Allowance equal to 30 % of the basic salary. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Act/Rules.
  - (b) **Medical Allowance:** Medical Allowance upto an amount of Rs. 60,000/- per annum.
  - (c) **Reimbursement of electricity & water charges** not exceeding to Rs. 4,50,000/- per annum.
  - (d) **Special Allowance:** Special Allowance upto an amount of Rs. 42,500/- per month.
  - (e) **Club Fees:** Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
  - (f) **Provident Fund:** Contribution to provident fund, superannuation fund or annuity fund 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.
  - (g) **Gratuity:** Gratuity payable shall not exceed half a month's salary for each completed year of service.
  - (h) **Car & Telephone:** Free use of Telephone & Company's Car for official work as per Company Rules.
  - (i) **Other Benefits:** Entitled to all the other benefits, schemes, privileges and amenities, as are granted to the senior executives/ employees of the Company in accordance with the Company's practice, rules and regulations in force from time to time.

RESOLVED FURTHER THAT the said remuneration and perquisites shall be subject to Schedule V of the Companies Act, 2013 and in case during the tenure, there is a loss or the profits are inadequate in the financial year, the aforesaid remuneration and perquisites shall be paid to Mr. Ashok Kumar Oswal

in that financial year as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors be and is 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 and acceptable to Mr. Ashok Kumar Oswal".

#### ITEM NO. 4

#### TO CONSIDER AND APPROVE THE RE-APPOINTMENT OF MR. ADISH OSWAL AS EXECUTIVE DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to the approval of Central Government, Banks/ Financial Institutions, if required, the consent of the members of the Company be and is hereby given for the reappointment of Mr. Adish Oswal (DIN - 00009710) as Executive Director of the Company, being Whole Time Director, liable to retire by rotation, w.e.f. 01.04.2015 for a period of three year i.e. 01.04.2015 to 31.03.2018 on the remuneration as per details given below:

1. **Salary:** Basic Salary Rs. 3,30,000/- (Rupees three lac thirty thousand only) per month and an annual increment @ 10% of last drawn basic salary.
2. **Commission:** 0.75% of the Net Profits.
3. **Perquisites:** The perquisites shall be allowed in addition to salary. However, such perquisites shall be restricted to an amount equal to one year's salary during the year as per details given below:
  - (a) **Housing:** Free residential accommodation alongwith free furnishing or House Rent Allowance equal to 30 % of the basic salary. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Act/Rules.
  - (b) **Medical Allowance:** Medical Allowance upto an amount of Rs. 15,000/- per annum.
  - (c) **Bonus:** Bonus equal to one month basic salary for the year.
  - (d) **Special Allowance:** Special Allowance upto an amount of Rs. 42,500/- per month.
  - (e) **Club Fees:** Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
  - (f) **Provident Fund:** Contribution to provident fund, superannuation fund or annuity fund 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.
  - (g) **Gratuity:** Gratuity payable shall not exceed half a month's salary for each completed year of service.
  - (h) **Car & Telephone:** Free use of Telephone & Company's Car for official work as per Company Rules.
  - (i) **Other Benefit:** Entitled to all the other benefits, schemes, privileges and amenities, as are granted to the senior executives/ employees of the Company in accordance with the Company's practice, rules and regulations in force from time to time.

RESOLVED FURTHER THAT the said remuneration and perquisites shall be subject to Schedule V of the Companies Act, 2013 and in case during the tenure, there is a loss or the profits are inadequate in the financial year, the aforesaid remuneration and perquisites shall be paid to Mr. Adish Oswal in that financial year as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors be and is 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 and acceptable to Mr. Adish Oswal".

By Order of the Board  
For Vardhman Polytex Limited  
Sd/-  
(Sushil Sharma)  
Company Secretary  
(Membership No- F6535)

Place:Ludhiana  
Date: 06.02.2015

#### Notes:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is given hereto below. All documents referred to in the accompanying notice and the explanatory statements are open for inspection at the registered office of the Company on all working days between 11.00 A.M. and 1.00 P.M. up to 28.03.2015.
2. The Notice is being sent to all the Members of the Company either by post or electronically (e-mail) to those members who have registered their e-mail with the Company/ Depositories, whose names appear in the Register of Members / record of Depositories as on the close of business hours on 21.02.2015 (cut-off date). The Notice of Postal Ballot will also be available on the Company's website [www.oswalgroup.com](http://www.oswalgroup.com).
3. Voting rights shall be reckoned in proportion to the paid-up equity shares registered in the name of the Member as on cut-off date.
4. Members who have not received Postal Ballot Notice/ Forms, or the member received it by e-mail and who wish to vote through Physical Postal Ballot Form, may send requests to the Company's email [vp.l.sect@oswalgroup.com](mailto:vp.l.sect@oswalgroup.com) for obtaining Postal Ballot Form.
5. In case a member has voted through e-voting facility, he/she is not required to send the physical Postal Ballot Form. In case of receiving vote through dual mode, the vote cast through e-voting shall only be considered.
6. Please update your email address with your Depository Participant/Company/RTA to ensure that Communication i.e. Notices, Annual Report etc shall reach you on your preferred email.



The members, if they desire, may write to the Company to obtain the physical copy of the documents.

**7. Instructions for Members for voting electronically are as under:**

- i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii) Click on "Shareholders" tab.
- iii) Now enter your User ID
  - a) For CDSL: 16 digits beneficiary ID
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c) Members holding shares in physical form: Folio Number registered with the Company
- iv) Next enter the Captcha (Verification) Code as displayed and Click on Login.
- v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vi) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department <b>(Applicable for both demat shareholders as well as physical shareholders)</b> <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (given where shareholders' address is printed on envelop) in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
Date of Birth	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank details in order to login. If the details are not recorded with the depository or company please enter the Demat A/c folio number in the Dividend Bank details field as mentioned in instruction (iii).

- vii) After entering these details appropriately, click on "SUBMIT" tab.
- viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatory enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Click on the **EVS** for **Vardhman Polytex Ltd.**
- xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii) Note for Institutional Shareholders
  - a) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - c) After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - d) The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO. 1**

This is to inform the members that in order to facilitate and meet capital expenditure in connection

with expansion and modernization of manufacturing and marketing facilities, existing and future opportunities, business acquisitions, working capital requirements arising out of increased volume of business, building capacities for existing and new lines of businesses, repayment of loans, other corporate purposes capital requirements of its subsidiaries and to meet any exigencies etc., it is proposed to create, offer, follow on offer, issue and allot securities as stated in the resolution at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest, etc. as may be deemed appropriate by the Board/ Committee at its discretion including the discretion to determine the categories of allottees to whom the offer, issue and allotment shall be made at the time of such offer, issue and allotment considering the market conditions and other relevant factors and wherever necessary in consultation with lead managers, either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board/ Committee, in any convertible foreign currency, as the Board/ Committee at its absolute discretion may deem fit and appropriate. The Company intends to issue Securities for aggregate amount not more than Rs. 300 Crore or its equivalent in one or more foreign currencies.

Sections 62 of the Companies Act, 2013 provide, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further shares, such further shares shall be offered to the existing shareholders of the issuer company in the manner laid down in Section 62 unless the shareholders of such company in general meeting decide otherwise. The said resolution is proposed by the Board of Directors for the approval of the members.

None of the Directors, Key Managerial Personnel, Promoters of Company and their relatives are in any way, deemed to be concerned or interested financially or otherwise in this resolution except to the extent of their shareholdings in Company.

**ITEM NO. 2**

This is to inform the members that the Company had invested in the equity shares of Oswal Industrial Enterprise Private Limited (OIEPL) and holding 99.99% consisting 5,00,49,999 equity shares of face value of Rs. 10/- each. Due to continuous losses, the net worth of OIEPL had been eroded substantially and the investment made by the Company has become insignificant and is of little value. The auditor has been qualifying for not making provision for loss in investment by the company in its Audit report since last 3 years. The Board of Directors has, subject to the approval of members, decided to sell/ transfer/dispose off the said investment wholly or partly to the prospective buyer, which may include promoter and promoter group companies at the negotiable/appropriate/ fair price and to get hold of funds out of said dormant investment.

Pursuant to the clause 49 of the Equity Listing Agreement w.e.f October 1, 2014, "No company shall dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting" and "Selling, disposing and leasing of assets amounting to more than twenty percent of the material subsidiary shall require prior approval of shareholders by way of Special Resolution", hence the Board recommends the Special Resolution for approval of members.

The certificate calculating the fair value of the share from an independent valuer taken by the Company shall be open for inspection to the members during the voting period.

Mr Adish Oswal, and Mrs Rakhi Oswal, Mr B. S Bhatia being director in OIEPL and Mr Ashok Kumar Oswal being relative are deemed to be concerned or interested in this resolution. None of other Directors, Key Managerial Personnel and their relatives are in any way, deemed to be concerned or interested financially or otherwise in the Special Resolution.

In case of sale/transfer/dispose off shares to promoter/promoter group companies, the promoter & their relatives shall be deemed to be interested or concerned directly/indirectly himself and/or as director and shareholder in promoter group companies.

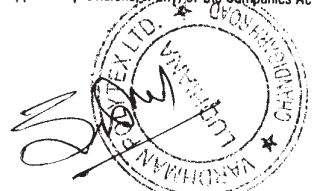
**ITEM NO. 3**

Mr Ashok Kumar Oswal (DIN - 00009403), aged about 60 years, graduate in Law, is Director of the Company since 1986. He is an Industrialist and having experience of more than 33 years in the textile industry. He has expertise in yarn manufacturing and specialized knowledge in the field of cotton. He has been the Managing Director of the Company since 1987. The Shareholders vide resolution dated 29.09.2012 had re-appointed Mr. Ashok Kumar Oswal as Chairman & Managing Director of the Company for a period of three year from 01.04.2012 at the basic salary of Rs. 2,60,000 (Rupees two lac sixty thousand only) per month with other perquisites and commission @ 2% of the net profits. The term of the appointment of Mr. Ashok Kumar Oswal, Chairman & Managing Director shall be expired on 31.03.2015.

Keeping in view the efforts made by Mr Ashok Kumar Oswal towards the growth of the Company and on the recommendation/approval of the Nomination & Remuneration Committee, the Board of Directors of the Company in its meeting held on 06.02.2015 has approved the re-appointment of Mr. Ashok Kumar Oswal as Chairman & Managing Director along with the revision of remuneration payable to him for the period of three years with effect from 01.04.2015 as stated in the resolution.

Mr Ashok Kumar Oswal also holds directorship in F.M. Hammerle Textiles Ltd, Kent Investments (P) Ltd, Enakshi Investments (P) Ltd, Calgary Invest. & Trdg. Co. (P) Ltd, Allepy Invest. & Trdg. Co. (P) Ltd, Adesh Invest. & Trdg. Co. (P) Ltd., Pioneer Mercantile India (P) Ltd, Boras Invest. & Trdg. Co. (P) Ltd, Gagan Mercantile Co. (P) Ltd, Liberty Mercantile Co. (P) Ltd, Ruby Mercantile Co. (P) Ltd, Panchsheel Textile Mfg. & Trdg. Co. (P) Ltd., Oswal Infratech (P) Ltd., Oswal Holding (P) Ltd. and Alma Assets Consultancy (P) Ltd. He is member of Audit Committee in F.M. Hammerle Textiles Ltd and member of Investors' Grievance Committee in Vardhman Polytex Limited. He holds 1,27,748 equity shares of Rs. 10/- each of the Company.

The said re-appointment and payment of remuneration is pursuant to Section 196, 197, 198, and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject



to the approval of Central Government, required if any.

Accordingly, the approval of the Members is solicited for re-appointment & fixation of remuneration payable to Mr. Ashok Kumar Oswal as Chairman & Managing Director of the Company for the period of 3 years w.e.f. 01.04.2015 to 31.03.2018 as per the details mentioned in the resolution.

As per Section II of PART II of Schedule V of the Companies Act, 2013 the following information is given below:

#### I. GENERAL INFORMATION

1	Nature of the Industry	Manufacturing of Textile Yarn & Real estate		
2	Date of Commencement of Business	02.12.1982		
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not applicable		
4	Financial Performance based on given indicators	Particulars	2013-14	2012-13
			Rs. in lac	Rs. in lac
		Turnover (including export)	92272.43	78623.30
		Export Turnover	44123.61	30294.91
		Profit before Tax (PBT)	332.23	505.17
		Profit after Tax (PAT)	477.51	117.06
5.	Foreign Investment	Foreign Subsidiary:- F. M. Hammerle Verwaltungs GmbH, Austria.		

#### II. INFORMATION ABOUT THE APPOINTEE

1	Background Detail	Mr. Ashok Kumar Oswal, aged about 60 years, is Graduate in Law. He joined his family business of Vardhman Group in 1977. He is an Industrialist, having more than 33 years experience in the Textile Industry and Managing Director of the Company since 1987. Under his dynamic leadership, the Company has consolidated its strength in textiles and crossed the turnover of Rs. 900 Crore during the financial year 2013-14.
2	Past Remuneration	Rs. 48.30 lac has paid annually during the tenure 01.04.2012 to 31.03.2015 with the approval of Central Government. The Company has been paying the remuneration upto Rs. 48 lac p.a. to him since last 4 years.
3	Recognition or awards	None
4	Job profile and his suitability	He has rich experience in yarn manufacturing and specialized knowledge in the field of procurement of cotton, the main raw material.
5	Remuneration proposed	The detail of the proposed remuneration payable to Mr. Ashok Kumar Oswal is given in the resolution. The increase in remuneration is proposed by considering the average increment of the employees/ senior management of the Company on yearly basis.
6	Comparative remuneration profile with respect to Industry, size of the company profile of the position and person etc	The remuneration proposed is reasonable, as compared with the industry standards for a director of similar profile.
7	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Mr. Ashok Kumar Oswal, Promoter and Chairman & Managing Director, KMP of the company and holding 1,27,748 equity shares. His relative Mr. Adish Oswal, is an Executive Director and Mrs. Rakhi Oswal is Non Executive Director of the Company

#### III. OTHER INFORMATION

1	Reasons of loss or inadequate profits	The Company has earned Net Profit after tax of Rs. 4.77 crore during the financial year 2013-14. The higher interest cost, general reversionary trend in the textile industry, global slowdown, ambiguous government policies and unprecedented volatility in prices of cotton and yarn has squeezed the margins of the Company.
2	Steps taken or proposed to be taken for improvement	The Company has taken various initiatives viz. product innovation, diversification, reduction of various costs, better market penetration and improvement in realisation etc.
3	Expected increase in productivity and profits in measurable terms	It is expected that the performance of Company will get better during the next financial year as initiatives taken by the Company for increase its productivity and efficiency. The turnover and profitability will also improve, but are not measurable as the same are influenced by various factors such as market prices of yarn, raw material and cost of various inputs etc.

#### MEMORANDUM OF INTEREST:

None of the Promoter, KMP, Directors and their relative except Mr. Ashok Kumar Oswal, being appointee and Mr. Adish Oswal and Mrs. Rakhi Oswal, being relative of the appointee, is concerned or interested in this resolution.

#### ITEM NO. 4

Mr Adish Oswal (DIN- 00009710), aged about 35 years, has been Director of the Company since 2009. He is a graduate in Commerce. He is an Industrialist and having good experience in yarn, fabric manufacturing and real estate business. The Shareholders vide resolution dated 29.09.2012 had re-appointed Mr. Adish Oswal as Executive Director of the Company for a period of three year from 01.04.2012 at the basic salary of Rs. 2,60,000 (Rupees two lac sixty thousand only) per month with other perquisites and commission @ 0.75% of the net profits. The term of the appointment of Mr Adish Oswal, Executive Director shall be expired on 31.03.2015.

Keeping in view the initiatives taken by Mr Adish Oswal towards the development of the Company and on the recommendation/approval of the Nomination & Remuneration Committee, the Board of Directors of the Company in its meeting held on 06.02.2015 has approved the re-appointment of Mr Adish Oswal as Executive Director along with the revision of remuneration payable to him for the period of three years with effect from 01.04.2015 as stated in the resolution.

Mr Adish Oswal also holds directorship in F.M. Hammerle Textiles Ltd, Allepy Invest. & Tdg. Co. (P) Ltd, Oswal Industrial Enterprise (P) Ltd., Oswal Infratech (P) Ltd., Oswal Holding (P) Ltd., Nightnagle Dealcom (P) Ltd. and Alma Assets Consultancy (P) Ltd. He holds 4,20,511 equity shares of Rs. 10/- each of the Company.

The said re-appointment and payment of remuneration is pursuant to Section 196, 197, 198, and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to the approval of Central Government, required if any.

Accordingly, the approval of the Members is solicited for re-appointment & fixation of remuneration payable to Mr. Adish Oswal as Executive Director of the Company for the period of 3 years w.e.f. 01.04.2015 to 31.03.2018 as per the details mentioned in the resolution.

As per Section II of PART II of Schedule V of the Companies Act, 2013 the following information is given below:

The Point (I) "General Information" and Point (III) "Other Information" are same as stated above in the explanatory statement of Item No. 3.

#### II. INFORMATION ABOUT THE APPOINTEE

1	Background Detail	Mr. Adish Oswal, aged about 35 years, has been Whole time Director of the Company since 2009. He is Graduate in commerce and joined his family business in 2005. He is an Industrialist and having good experience in yarn, fabric manufacturing & real estate. Mr. Adish Oswal has been working as Executive Director of the Company since 2011.
2	Past Remuneration	Rs. 51.22 lac has paid annually during the tenure 01.04.2012 to 31.03.2015 with the approval of Central Government.
3	Recognition or awards	None
4	Job profile and his suitability	He has about 10 years experience in textile industry and involved in the strategic decision making, day to day affairs and key management decisions for the future growth of the Company. He is also looking real estate business of the Company.
5	Remuneration proposed	The detail of the proposed remuneration payable to Mr. Adish Oswal is given in the resolution. The increase in remuneration is proposed by considering the average increment of the employees/ senior management of the company on yearly basis.
6	Comparative remuneration profile with respect to Industry, size of the company, profile of the position and person etc	The remuneration proposed is reasonable as compared with the industry standards for a director of similar profile.
7	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Mr. Adish Oswal, Promoter and Executive Director, of the Company and holding 4,20,511 equity shares. His relative Mr. Ashok Kumar Oswal, is Chairman & Managing Director and Mrs. Rakhi Oswal is Non Executive Director of the Company.

#### MEMORANDUM OF INTEREST:

None of the Promoter, KMP, Directors and their relative except Mr. Adish Oswal, being appointee himself and Mr. Ashok Kumar Oswal and Mrs. Rakhi Oswal, being relative of the appointee, is concerned or interested in this resolution.

By Order of the Board  
For Vardhman Polytext Limited  
Sd/-  
(Sushil Sharma)  
Company Secretary  
(Membership No- F6535)

Place: Ludhiana  
Date: 06.02.2015

4

For VARDHMAN POLYTEX LIMITED

  
SUSHIL SHARMA  
COMPANY SECRETARY



## VARDHMAN POLYTEX LIMITED

(CIN: L17122PB1980PLC004242)

Regd. Office: 341 K-1, Mundian Khurd, P.O. Sahabana,  
Chandigarh Road, Ludhiana-141 123

Phones: 0161-2685301-05, 6629888, 6629990, Fax: 0161-6629988  
E-Mail- vpl.sect@oswalgroup.com, Website: www.oswalgroup.com

### POSTAL BALLOT FORM

Serial No.

1. Name of Shareholder (s) :  
including joint holder {if any}  
(in BLOCK LETTERS)

2. Registered address of the :  
Sole/First named Shareholder

3. Registered Folio No./ :  
DP ID No./ Client ID No.\*  
*(\*Applicable to investors holding  
shares in dematerialized form)*

4. Number of Share held :

5. I/We hereby exercise my/our vote in respect of the Resolutions to be passed through Postal Ballot for the business stated in the Notice dated 06.02.2015 of the Company by sending my/our assent (FOR) or dissent (AGAINST) to the said resolutions by placing the tick ( ✓ ) mark in the appropriate box below:

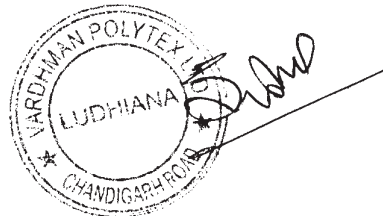
Item No.	Particulars	Nature of Resolution	No. of Share	I/WE assent to the Resolution (FOR)	I/WE dissent to the Resolution (AGAINST)
1.	Raising of funds upto Rs. 300 crore by issue of securities	Special Resolution			
2.	To sell, transfer or dispose off the investment held in equity shares of Oswal Industrial Enterprise Private Limited (OIEPL)	Special Resolution			
3.	To consider and approve the Re-appointment of Mr. Ashok Kumar Oswal as Chairman & Managing Director of the Company	Special Resolution			
4.	To consider and approve the Re-appointment of Mr. Adish Oswal as Executive Director of the Company	Special Resolution			

(Signature of the Shareholder)

Place :

Date :

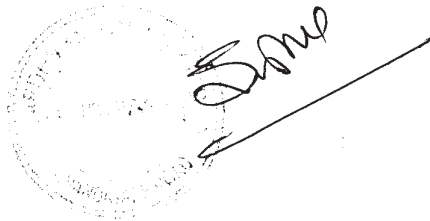
Email



## NOTES/ INSTRUCTIONS

1. A Member desiring to exercise his/ her vote by Postal Ballot may complete this Postal Ballot Form in all respect and sent it to Scrutinizer appointed by the Company in the enclosed postage prepaid self-addressed envelope. Postage will be borne by the company. However, envelopes containing the Postal Ballot Form if sent through courier at the cost of the member will also be accepted. The members residing outside India should stamp the envelopes appropriately.
2. The self-addressed envelope attached to this Notice bears the address of the Scrutinizer to whom duly completed Postal Ballot Forms are to be sent.
3. The Postal Ballot Form should be completed and signed by the Shareholder. In case of joint holding, this Form should be completed and signed (as per specimen signatures registered with the Company) by the first named Shareholder and failing him, by the next named Shareholder and so on. In case, shares are held by companies, trusts, societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution/ Authorization.
4. The votes should be cast either in favour or against by putting the tick ( ✓ ) Mark in the column provided for assent (FOR) or dissent (AGAINST). Postal Ballot Form marking ( ✓ ) in both the column will render the Form invalid.
5. Duly completed Postal Ballot Forms should be received by the Scrutinizer on or before **6.00 PM on 28<sup>th</sup> March, 2015**. Postal Ballot Forms received after this date will be treated as if no reply from the Shareholder has been received.
6. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected. The Scrutinizer's decision on the validity of the Postal Ballot shall be final and binding.
7. Members may request to Company for a duplicate Postal Ballot Form, if required. However, the duplicate Postal Ballot Form duly filled should reach the Scrutinizer not later than the date specified as above.
8. There shall be one Postal Ballot for every Folio, irrespective of the number of joint holders. A proxy shall not exercise the Postal Ballot. Voting rights shall be reckoned on the paid up value of Shares registered in the name of the Shareholder as on the close of business hours on **21<sup>st</sup> February, 2015** (cut-off date).
9. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid envelope and any extraneous paper found in such envelope will be destroyed by the Scrutinizer.
10. The resolutions, if assented by the requisite majority, shall be considered as passed on the **30<sup>th</sup> March, 2015** (i.e. the day of announcement/declaration of postal ballot result).
11. **The Company is also providing e-voting facility as an alternate, for all the Members to enable them to cast their vote electronically instead of dispatching Postal Ballot Form. The detailed procedure in respect to e-voting is enumerated in the Postal Ballot Notice.**

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A circular stamp, likely a company seal, is partially visible. Overlaid on the stamp is a handwritten signature that appears to be 'Sano'. A long diagonal line is drawn across the signature and the stamp.