

NOTICE

Notice is hereby given that the 42nd ANNUAL GENERAL MEETING of Vardhman Textiles Limited will be held on Friday, the 4th day of September, 2015 at 10.00 a.m. at the Registered Office of the Company situated at Chandigarh Road, Ludhiana, to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015, Statement of Profit and Loss for the year ended on that date, together with Report of the Auditors and Directors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Neeraj Jain (holding DIN No. 00340459), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To consider and ratify the appointment of Statutory Auditors of the Company for the financial year 2015-16 and to fix their remuneration and in this regard 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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 and subject to approval by members of the Company, the appointment of M/s. S.C. Vasudeva & Co., Chartered Accountants, as the Statutory Auditors of the Company for a term of consecutive three years starting from conclusion of the 41st Annual General Meeting till the conclusion of 44th Annual General Meeting of the Company be and is hereby ratified at the 42nd Annual General Meeting of the Company at such remuneration as may be finalized by the Chairman and Managing Director of the Company."

SPECIAL BUSINESS:

5. To appoint Mr. Rajender Mohan Malla as an Independent Director of the Company:

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 Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the Companies Act, 2013, the rules made there under and Clause 49 of the Listing Agreement (including any

statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rajender Mohan Malla (DIN 00136657), who was appointed as an Additional Director of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a term of consecutive three years starting from the date of this Annual General Meeting to the conclusion of 45th Annual General Meeting of the Company."

6. To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2016:

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 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and Companies Cost Audit rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Ramanath Iyer & Company, Cost Auditors, New Delhi appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016, be paid the remuneration of ₹4,61,500/-.

RESOLVED FURTHER THAT Mr. S.P. Oswal, Chairman & Managing Director and Ms. Karan Kamal Walia, Company Secretary be and are hereby severally authorized to do all acts and take all such steps as may be necessary or expedient to give effect to this resolution."

7. To issue Non- Convertible Debentures (NCDs)/ Bonds:

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 and 71 of the Companies Act, 2013 ('the Act'), Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act (including any statutory modifications or re-enactments thereof for the time being in force) and in accordance with the provisions of Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulations, 2008, the Rules, Regulations,

Guidelines and Circulars, as amended from time to time, the Memorandum and Articles of Association of the Company and subject to such other approvals as may be required from regulatory authorities from time to time, the consent of the Members be and is hereby accorded to the Board of Directors/Committee of Directors to offer, issue and allot, in one or more tranches Secured or Unsecured Redeemable Non-convertible Debentures/Bonds on private placement basis or raise External Commercial Borrowings (ECB) for an amount not exceeding ₹300 crores (Rupees Three Hundred Crore only) on such terms and conditions and at such times at par or at such premium, as may be decided by the Board/Committee of Directors to such person or persons, including one or more companies, bodies corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension/provident funds and individuals, as the case may be or such other person/

persons as the Board/Committee of Directors may decide so, however that the aggregate amount of funds to be raised by issue of Non-convertible Debentures/Bonds or ECB shall not exceed ₹300 crores.

RESOLVED FURTHER THAT in connection with the above, the Board/Committee of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto."

BY ORDER OF THE BOARD

Place: Ludhiana
Dated: 5th August, 2015

(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.

However, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

2. The Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. Subject to the provisions of Section 126 of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be dispatched/remitted commencing from 5th September, 2015.
4. The Register of Members and the Share Transfer Books of the Company shall remain closed from 7th August, 2015 to 4th September, 2015 (both days inclusive).
5. 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.

6. The information pursuant to Corporate Governance Clause of the Listing Agreement(s) regarding the Directors seeking appointment/re-appointment in the Annual General Meeting is also being annexed hereto separately and forms part of the Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
7. Members desiring any information, as regards Accounts, 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.
8. 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.
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 dematerialized form) or with Registrar & Transfer Agent, Alankit Assignments Limited, New Delhi (in case of shares held in physical form)

11. The Annual Report 2014-15 is being sent through electronic mode only to the members whose email addresses are registered with the Company/ Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2014-15 are being sent by permitted mode.

12. Voting through electronic means:

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement, the Company is pleased to provide members a facility to exercise their right to vote at the 42nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for shareholders voting electronically are as under:

(i) The e-voting period commences on 1st September, 2015 (9:00 am) and ends on 3rd September, 2015 (5:00 pm). During this period shareholder's of the Company, holding shares either in physical form or

in dematerialized form, as on the cut-off date of 27th August, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after end of voting period on 3rd September, 2015. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) 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 should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • 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 in the PAN field. Sequence number is printed on Attendance slip provided with the Annual report. • 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
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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 mandatorily 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN: 150727011 for <VARDHMAN TEXTILES LIMITED> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details 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.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - 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.
- (i) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 27th August, 2015 may follow the same instructions as mentioned above for e-Voting.
- (ii) 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, under help section or write an email to helpdesk.evoting@cdslindia.com
13. M/s. B.K. Gupta & Associates, Company Secretaries have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e voting process). The Scrutinizer shall upon the conclusion of E-voting period, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
14. The Results of the resolutions passed at the AGM of the Company will be declared within 48 working hours of conclusion of AGM. The results declared along with the Scrutinizer's report shall be simultaneously placed on the Company's website www.vardhman.com and on the website of CDSL and will be communicated to the stock exchanges.
15. MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.

BY ORDER OF THE BOARD

Place: Ludhiana
Dated: 5th August, 2015

(KARAN KAMAL WALIA)
Company Secretary

ANNEXURE TO THE NOTICE:

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 5 OF THE SPECIAL BUSINESS:

The Board of Directors of the Company in their meeting held on 5th August, 2015 had appointed Mr. Rajender Mohan Malla as an Additional Director of the Company pursuant to Section 161 (1) of the Companies Act, 2013 and Articles of Association of the Company. He will hold office upto the date of ensuing Annual General Meeting.

The Company has received requisite notice in writing from a member proposing appointment of Mr. Rajender Mohan Malla as candidate for the office of Independent Director of the Company for a term of consecutive three years starting from the date of this Annual General Meeting to the conclusion of 45th Annual General Meeting of the Company.

The Company has also received consent from Mr. Rajender Mohan Malla and also declaration confirming that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Rajender Mohan Malla is Independent of the management and in the opinion of the Board fulfills the conditions specified in the Companies Act, 2013 and rules made there under for appointment as an Independent Director of the Company. A copy of the draft letter for appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee to the members at the Registered Office of the Company during normal business hours on any working day. A brief profile of Mr. Rajender Mohan Malla is provided at the end of this statement.

The Board recommends the Ordinary Resolution as set out at item number 5 of the Notice for approval by the shareholders.

MEMORANDUM OF INTEREST:

None of the Directors/Key Managerial Personnel (KMP) of the Company/their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

ITEM NO. 6 OF THE SPECIAL BUSINESS:

Pursuant to the provisions of the Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Cost Audit is required to be conducted in respect of the Cost Accounts maintained by the Company. Upon the recommendations of Audit Committee, the Board of Directors in its meeting held on 8th May, 2015 had appointed M/s. Ramanath Iyer & Co., 808, Pearls Business Park, Netaji Subhash Place, New Delhi as Cost Auditors of the Company to conduct Cost Audit for Financial Year ending 31st March, 2016.

Accordingly, the consent of the members is solicited for passing an Ordinary Resolution as set out at Item No. 6 of the notice for ratification of payment of remuneration to the Cost Auditors for the Financial Year ending 31st March, 2016. The Board commends the Ordinary Resolution as set out at Item No. 6 of the Notice for approval by the shareholders.

MEMORANDUM OF INTEREST:

None of the Directors/ Key Managerial Personnel (KMP) of the Company/ their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

ITEM NO. 7 OF THE SPECIAL BUSINESS:

In order to fund its upcoming expansions and for meeting general financial requirements, the Board of Directors of the Company in its meeting held on 5th August, 2015 has, subject to the approval of Members in the General Meeting proposed to issue Redeemable Non-convertible Debentures/Bonds to various person(s) on private placement basis or raise External Commercial Borrowings (ECB) at such terms and conditions and at such price(s) in compliance with the requirements of regulatory authorities, if any and as may be finalized by the Board and/or Committee of Directors. The amount to be raised by way of issue of Redeemable Non-convertible Debentures/ Bonds on a private placement basis or ECB however shall not exceed ₹300 crores (Rupees Three Hundred crore only) in aggregate. It may be noted that Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with

Section 42 of the Companies Act, 2013, allows a Company to pass a previous special resolution once in a year for all the offer or invitation for Redeemable Non-convertible Debentures/Bonds to be made through a private placement basis in one or more tranches. The consent of the Members is therefore sought in connection with the aforesaid issue of debentures/bonds or raising ECB from time to time and they are requested to authorize the Board (including any Committee of the Board) to issue Non Redeemable Non-convertible Debentures/Bonds

on private placement basis or raise ECB upto ₹300 crore as stipulated above, in one or more tranches.

The Board recommends the Special Resolution set forth in Item No. 7 of the Notice for approval of the Members.

MEMORANDUM OF INTEREST:

None of the Directors/ Key Managerial Personnel (KMP) of the Company/ their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

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

Name of the Director	Mr. Neeraj Jain	Mr. Rajender Mohan Malla
Date of Birth	09.10.1967	15.05.1953
Date of Appointment	17.07.2010	05.08.2015
Expertise in specific functional area	Business Executive having experience of more than 23 years in Textile Industry.	Eminent Banker having rich experience in banking and finance field.
Qualification	B.Com, C.A.	M.Com, MBA (Finance), CAIIB.
Directorships of Other Companies as on 31 st March, 2015	1. VMT Spinning Company Limited. 2. Vardhman Nisshinbo Garments Company Limited 3. Vardhman Apparels Limited 4. Vardhman Textile Components Limited 5. Vardhman Spinning and General Mills Limited	Smera Ratings Limited
Chairman/Member of Committees of Other Companies as on 31 st March, 2015	Audit Committee: VMT Spinning Company Limited	NIL
Shareholding in the Company	-	-
Relationship with other Director(s)	Not related to any Director	Not related to any Director

