



## NOTICE

NOTICE is hereby given that the 25<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Friday, the 4<sup>th</sup> day of September, 2015 at 03.00 p.m. at Regd. Office, Vardhman Premises, Chandigarh Road, Ludhiana - 141 010 to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report and Audited Balance Sheet as at 31<sup>st</sup> March, 2015 and statement of Profit & Loss Account for the year ended on that date together with the Auditors' Report thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. D. L. Sharma, who retires by rotation and being eligible, offers himself for reappointment.
4. To ratify the appointment of Statutory Auditors of the Company 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(1) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. S.S. Kothari Mehta & Co., Chartered Accountants, (Registration No. 000756N) as Statutory Auditors of the Company, be and is hereby ratified for the Financial Year 2015-16 at such remuneration as may be finalised by the Chairman of the Company."

### SPECIAL BUSINESS:

#### ITEM NO. 5

#### TO RATIFY THE REMUNERATION OF THE COST AUDITOR 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 Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, the remuneration of Mr. R.A. Mehta, Cost Auditors of the Company, for the Financial Year ending 31<sup>st</sup> March, 2016, be and is hereby ratified at ₹ 45,000/- (excluding Service Tax and out of pocket expenses) and other terms and conditions as mutually agreed by the Cost Auditors and Managing Director of the Company.

**RESOLVED FURTHER THAT** Mr. S.P. Oswal, Chairman, Mr. B.K. Choudhary, Managing Director and Ms. Ruchita Vij, Company Secretary, be and are hereby severally authorized, to comply with all other formalities in this regard."

#### ITEM NO. 6

#### TO CONSIDER TO INCREASE THE SITTING FEES PAYABLE TO THE DIRECTORS:

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

**"RESOLVED THAT** pursuant to provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013

and subject to the approval of the members of the Company, the amount of the sitting fee payable to Directors be increased from ₹ 20,000/- to ₹ 25,000/- attending each meeting of the Board of Directors.

**RESOLVED FURTHER THAT** the amount of sitting fee payable to Directors be increased from ₹ 15,000/- to ₹ 20,000/- for attending each meeting of the Committee of Directors of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution."

#### ITEM NO. 7

#### TO ENTER INTO RELATED PARTY TRANSACTIONS:

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 Clause 49(VII)-E of the Amended Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Members be and is hereby accorded for entering into contracts i.e. material transactions with related party as mentioned in the Statement annexed to the notice, the copy of which is laid before the meeting and initialled by the chairman for the purpose of identification, be and is hereby approved.

**RESOLVED FURTHER THAT** pursuant to the provisions of section 189 of the Companies Act, 2013 (as amended or re-enacted from time to time) read with rule no 16 of the Companies (Meeting of Board and its Powers) Rules 2014, Ms. Ruchita Vij, Company Secretary of the Company, be and is hereby authorized to do the necessary entries in the Register of contracts or arrangements in which directors are interested and authenticate them.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all steps as may be necessary, proper or expedient to give effect to this resolution."

**BY ORDER OF THE BOARD**

PLACE: Gurgaon  
DATE: July 28, 2015

Sd/-  
(Ruchita Vij)  
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 INSTRUMENT APPOINTING 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. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item Nos. 5 to 7 is annexed hereto and forms part of the Notice.
  3. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015, and Clause 35B of the Listing Agreement, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting, shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.
  4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
  5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
  6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
  7. Subject to the provisions of Section 126 of the Companies Act, 2013 (corresponding to Section 206A of the Companies Act, 1956), dividend as recommended by the Board of Directors, if declared at the meeting, will be dispatched/remitted commencing on or from 7<sup>th</sup> September, 2015.
  8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/MCS Share Transfer Agent Limited.
  9. **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).**
  10. 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.
  11. 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 Nos. 3 of the Notice is also being annexed hereto separately and forms part of the Notice.
  12. 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.
  13. 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.
  14. **Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
  15. 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.
  16. 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 within a period of three working days from 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.
- The instructions for shareholders voting electronically are as under:**
- (i) The e-voting period commences on 1<sup>st</sup> September, 2015 (9:00 am) and ends on 3<sup>rd</sup> September, 2015 (5:00 pm). During this period, shareholder's of the Company, holding shares either in physical form or in De-materialized form, as on the cut-off date of 27<sup>th</sup> August, 2015 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting after end of voting period on 3<sup>rd</sup> September, 2015. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The e-voting module shall be disabled by CDSL for voting thereafter
  - (ii) The shareholders should log on to the e-voting website **www.evotingindia.com** during the voting period
  - (iii) Click on "Shareholders" tab.
  - (iv) 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.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) 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.
  - (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
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"> <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 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 letter Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>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.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>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 member id /folio number in the Dividend Bank details field as mentioned in instruction no. (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the EVSN **150801003 <VARDHMAN ACRYLICS LIMITED>** on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "**CONFIRM**" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) 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.
- (xviii) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) 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, they have to create compliance user 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.
- (xix) 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**

**MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.**

**INFORMATION PURSUANT TO THE CORPORATE GOVERNANCE CLAUSE OF THE LISTING AGREEMENT(S) REGARDING DIRECTORS SEEKING RE-APPOINTMENT IN THE NEXT ANNUAL GENERAL MEETING.**

<b>Name of the Director</b>	<b>Mr. D.L. Sharma</b>
Date of Birth	10.11.1948
Date of Appointment	24.12.1990
Expertise in specific functional area	Business Executive having experience of more than 38 years in Textile and sewing Thread Business.
Qualification	B.Sc. (Engg.), M.B.A.
Directorships of Other Companies	<ol style="list-style-type: none"> <li>1. Vardhman Yarns and Threads Limited</li> <li>2. Vardhman Textiles Limited</li> <li>3. Vardhman Nisshinbo Garments Company Limited</li> <li>4. VTL Investments Limited</li> <li>5. VMT Spinning Company Limited</li> <li>6. Ralson (India) Limited</li> <li>7. Delux Fabrics Limited</li> <li>8. The Cotton Textiles Export Promotion Council</li> </ol>
Chairman/Member of Committees of Other Companies	<ol style="list-style-type: none"> <li>1. Audit Committee <ul style="list-style-type: none"> <li>➤ Vardhman Textiles Limited</li> <li>➤ VMT Spinning Company Limited</li> <li>➤ Vardhman Yarns and Threads Limited</li> <li>➤ Ralson(India) Limited</li> </ul> </li> <li>2. Corporate Social Responsibility Committee <ul style="list-style-type: none"> <li>➤ Vardhman Textiles Limited</li> <li>➤ Ralson (India) Limited</li> </ul> </li> <li>3. Stakeholder's Relationship Committee <ul style="list-style-type: none"> <li>➤ Vardhman Textiles Limited</li> </ul> </li> <li>4. Nomination and Remuneration Committee <ul style="list-style-type: none"> <li>➤ Ralson (India) Limited</li> </ul> </li> </ol>
No. of Shares Held	1,000
Relationship with other Directors	Not Related to any Director.

**ANNEXURE TO THE NOTICE:**

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

(For Item Nos. 5 to 7)

**ITEM NO. 5:**

In terms of Section 148 of the Companies Act, 2013 and amended rules thereof, the Company is required to appoint a cost auditor to conduct the audit of the cost records of the Company for the Financial Year 2015-16. The Audit Committee of the Company has recommended the appointment of Mr. R.A. Mehta as a Cost Auditor of the Company, for the Financial Year 2015-16. Your Board of Directors has given their consent and appointed Mr. R.A. Mehta as a Cost Auditor of the Company for the Financial Year ending 31<sup>st</sup> March, 2016 in their Board Meeting held on 4<sup>th</sup> May, 2015 at remuneration of ₹ 45,000/- (excluding service tax and out of pocket expenses) & other terms & conditions as mutually agreed by the Cost Auditors and the Managing Director of the Company. Further, the said remuneration is required to be ratified by the shareholders of the Company.

Accordingly, your approval is solicited by way of **Ordinary Resolution**.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

**MEMORANDUM OF INTEREST:**

None of the Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed Ordinary Resolution set out at Item No. 5 of the Notice.

**ITEM NO. 6:**

Keeping in view the contribution made by the Directors in framing progressive policies and their valuable guidance/suggestions from time to time, the Board of Directors, in their meeting held on 2nd February 2015 in accordance with of the Articles of Association of the Company, had approved the matter regarding increase in the sitting fees payable to Directors from ₹ 20,000/- and ₹ 15,000/- per meeting to ₹ 25,000/- & ₹ 20,000/- for attending the Board Meeting and Committee Meetings respectively, for which your approval is solicited by way of Special Resolution.

**MEMORANDUM OF INTEREST:**

Except Mr. M.C. Gupta, Mr. S. P. Singh, Mr. S.K. Bansal and Ms. Geeta Mathur, none of the Directors/Key Managerial Personnel of the Company/their relatives are concerned or interested, financially or otherwise, in the Special Resolution set

out at Item No. 6 of the Notice.

**Item No. 7:**

Pursuant to provisions of the Companies Act and the Listing Agreement, the shareholders in their 24<sup>th</sup> AGM held on 25<sup>th</sup> September 2015 had given in-principle approval for related party transaction for Financial Year 2015-16. Now under the amended provisions of Clause 49(VII) - E of the Listing Agreement, approval of the Shareholders is required for all material Related Party Transactions.

Transactions to be considered as material if the transaction/ transactions to be entered into individually or taken together with previous transactions during a Financial Year, exceeds ten percent of the Annual consolidated turnover of the Company as per the

last audited financial statements of the Company. The materiality nature of related party transactions being entered by the Company mandates it to seek member’s approval for such transactions for Financial Year 2016-17.

Accordingly, your approval is solicited on the transactions provided below. The most significant transaction(s) by way of amount(s) and frequency during the year, is Sale of Acrylic Fiber (Traded/Manufactured) to its holding company Vardhman Textiles Ltd (VTXL). VTXL had been consuming Exlan quality of acrylic fiber prior to setting up of VAL as a subsidiary company. As on date, around 30-35% of the fiber produced by VAL is consumed as raw material by VTXL. Further, VAL also imports some specific quality of fiber which is not produced by it, which is further sold to VTXL as traded goods.

Accordingly, your approval is solicited on the transactions provided as per details below:

Sr. No.	Name of the Related Party	Relationship with the Company	Particulars of Contract or Arrangements	Material Terms/ Indicative Base Price	Whether on Arm's Length
1.	Vardhman Textiles Limited (VTXL)	Holding Company	• Sale of Acrylic Fiber (Traded/ Manufactured)	At Market Related Prices	Yes
			• Purchase/sale of DEPB licenses • Purchase/sale of fixed assets • Rent Paid	At Market Related Prices	Yes
			• Payment towards sharing of corporate services • Reimbursement of expenses (paid/ received)	At Cost	Yes

The Board recommends the **Special Resolution** set out at Item No. 7 for approval by the shareholders.

**MEMORANDUM OF INTEREST:**

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 7 of the Notice.

**BY ORDER OF THE BOARD**

PLACE: Gurgaon  
DATE: July 28, 2015

(Ruchita Vij)  
COMPANY SECRETARY