



Vardhman Textiles Limited

CIN: L17111PB1973PLC003345

Registered Office: Chandigarh Road, Ludhiana, Punjab - 141010

Tel. No. 91-161-2228943 **Fax No.:** 91-161-2601048

Email: secretarial.lud@vardhman.com; **Website:** www.vardhman.com

NOTICE OF POSTAL BALLOT

(Pursuant to Section 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 and the MCA Circulars as defined below)

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 ("**the Act**") read together with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 ("**the Rules**"), including any statutory modification(s) or re-enactment thereof for the time being in force and any other applicable provisions of the Act and the Rules made thereunder, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**the Listing Regulations**"), Secretarial Standard on General Meetings ("**SS-2**") issued by The Institute of Company Secretaries of India, General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 3/2022 dated May 5, 2022 read with other relevant circulars and General Circular No. 09/2023 dated September 25, 2023, issued by the Ministry of Corporate Affairs ("**MCA Circulars**") and any other applicable laws and regulations, to transact the following proposed special businesses by the Members of Vardhman Textiles Limited ("**the Company**") by passing resolutions by way of Postal Ballot only by voting through electronic means ("**remote e-Voting**"). The proposed resolutions as set out below, along with the Explanatory Statement pursuant to Sections 102 and 110 of the Act setting out material facts in relation to the proposed resolutions, are being sent to the Members for their consideration and approval.

The Company will send Postal Ballot Notice by e-mail to all its Members who have registered their email addresses with the Company/RTA or Depository/ Depository Participants ("**DP**") and the communication of assent/ dissent of the Members will only take place through the remote e-Voting system. This Postal Ballot Notice is accordingly being initiated in compliance with the MCA Circulars.

In compliance with the requirements of the MCA Circulars, hard copies of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope will not be sent to the Members for this Postal Ballot. The Company is providing remote e-Voting facility for the Postal Ballot as an alternate, which would enable the Members to cast their votes electronically, instead of casting their votes and dispatching Postal Ballot forms physically.

You are requested to peruse the proposed resolutions set out below along with the Explanatory Statement and thereafter record your assent or dissent by means of remote e-Voting facility provided by the Company not later than 5:00 P.M. IST on Sunday, 10th March, 2024, failing which it will be strictly considered that no reply has been received from the Member. Members desiring to exercise their votes are requested to carefully read the instructions in the Notes under the section **“Instructions for voting through remote e-Voting”**.

The results of voting by means of Postal Ballot through remote e-Voting shall be declared on or before 2 working days from the conclusion of e-Voting process and will be displayed along with the Scrutinizer's Report at the Company's website www.var dhman.com and on the website of Central Depository Services (India) Limited (**“CDSL”**), who will provide the platform for remote e-Voting, and will also be communicated to the Stock Exchange where the shares of the Company are listed.

ITEMS OF SPECIAL BUSINESS REQUIRING CONSENT OF SHAREHOLDERS THROUGH POSTAL BALLOT ARE AS UNDER:

SPECIAL BUSINESS:

ITEM NO. 1.

To re-appoint Mr. Shri Paul Oswal as the 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 Section 196, 197, 203 & Schedule V of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Shri Paul Oswal (DIN: 00121737), be and is hereby re- appointed as the Managing Director of the Company, for a period of 5 years starting from 1st June, 2024 to 31st May, 2029.

RESOLVED FURTHER THAT Mr. Shri Paul Oswal shall be paid remuneration and other perquisites as per terms and conditions as detailed below:-

S.NO.	REMUNERATION	DETAILS
I.	Salary	Rs. 10,00,000/- per month.
II.	Commission	Equal to 2% of net profit calculated as per Section 198 of the Companies Act, 2013 subject to total remuneration being within the limits as prescribed in Part-II of Schedule-V to the Companies Act, 2013.
III.	Medical Reimbursement	Reimbursement of medical expenses incurred by the appointee (including medi-claim insurance premium) on self and his family, on actual basis.
IV.	Perquisites*	Perquisites including allowances in such form and to such extent as may be decided by the Nomination and

		Remuneration Committee subject to a ceiling of annual salary. The perquisites may include, but are not limited to, free furnished residential accommodation or house rent allowance (along with other amenities), use of company's car with driver (for official and personal use), communication expenses (for official and personal use), club fees, personal accident insurance, leave travel concession, gratuity, contribution to Provident Fund, Superannuation Fund or Annuity Fund and all other benefits as are applicable to senior employees of the Company (including but not limited to leave entitlement, encashment of leave, entitlement to housing and other loans in accordance with schemes of the Company).
V.	Travelling Expenses	Expense incurred for travelling, boarding and lodging including for spouse and attendant(s) during business trips on actual basis which shall not be considered as perquisite.
VI.	Security Expenses	The expenses, as may be borne by the Company for providing security to Mr. S.P. Oswal and his family shall not be considered as perquisite.

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

*The valuation of perquisites will be as per the Income tax Rules, 1962, in cases where the same is otherwise not possible to be valued.

ITEM NO. 2:

To re-appoint Mr. Neeraj Jain as a Joint Managing 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 Section 196, 197, 203 & Schedule V of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Neeraj Jain (DIN: 00340459) be and is hereby re-appointed as Joint Managing Director of the Company for a term of 5 (five) consecutive years starting from 1st April, 2024 to 31st March, 2029.

RESOLVED FURTHER THAT Mr. Neeraj Jain shall be paid remuneration and other perquisites as per terms and conditions as detailed below:-

Sr. No.	REMUNERATION	DETAILS
I.	Basic Salary	Monthly salary within the range of Rs. 10,00,000/- to Rs. 12,50,000/- as may be decided by the Nomination and Remuneration Committee from time to time.

II.	Perquisites*	Perquisites including allowances in such form and to such extent as may be decided by the Nomination and Remuneration Committee subject to a ceiling of annual basic annual salary. The perquisites may include, but are not limited to, house rent allowance, use of company's car with driver (for official and personal use), telephone expenses (for official and personal use), medical reimbursement, club fees, personal accident insurance, leave travel concession, gratuity, contribution to Provident Fund and Superannuation Fund and all other benefits as are applicable to senior employees of the Company (including but not limited to leave entitlement, encashment of leave, entitlement to housing and other loans in accordance with schemes of the Company).
III.	Profit Linked Incentives	As may be decided by the Nomination and Remuneration Committee subject to the ceiling of double the annual basic salary. The performance linked incentives to be calculated based on profits finalized at the end of financial year.

- The valuation of perquisites will be as per the Income tax Rules, 1962, in cases where the same is otherwise not possible to be valued.
- In case of re-appointment, the appointee will be eligible for carry forward of unitized amount of medical expenses entitlement of the current term to the next term subject to a maximum ceiling of six months basic salary.

ITEM NO. 3:

To approve Vardhman Textiles Limited Employee Stock Option Plan 2024 under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:

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

“RESOLVED THAT pursuant to section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, including any statutory modification or re-enactment thereof, for the time being in force and subject to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB Regulations”) and subject to such approvals, permissions, sanctions and subject to such conditions and modifications as may be prescribed or imposed by the above authorities while granting such approval, permissions and sanctions, approval and consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee including Nomination & Remuneration Committee of the Board) to introduce, offer and implement the proposed Vardhman Textiles Limited ESOP Plan 2024 (proposed plan), the salient features of which are detailed in the Explanatory Statement to this Notice and to

create, offer, issue and allot in one or more tranches to the present and/or future employees of the Company selected on the basis of criteria prescribed by the Board in accordance with the SEBI SBE B Regulations, hereinafter referred to as “the Eligible Employees” under the said proposed plan such number of options as the Board may decide which could give rise to the issue of equity shares of nominal face value not exceeding Rs. 69,40,194/- divided into 34,70,097 equity shares of the face value of Rs. 2/- each on such terms and conditions described below:

The offer shall be in accordance with the terms and conditions as regards price, payment, application, allotment, entitlement to dividend and other rights, transferability and all other matters as stipulated by the SEBI SBE B Regulations and in accordance with any other guidelines, rules, regulations and laws to the extent applicable and subject also to the Memorandum and Articles of Association of the Company, provided that:

- The equity shares issued upon exercise of the options shall rank pari passu in all respects with the existing equity shares of the Company including the entitlement of dividend.
- Each option granted to Eligible Employees shall be convertible into one equity share of nominal value of Rs. 2/- each on payment of a price as decided by the Nomination & Remuneration Committee and subject to any regulation or guidelines of the SEBI in regard to the pricing of the options, as applicable from time to time.
- Each option shall be vested in the Option Holder after a minimum period of 1 (one) year from the date of grant of the option.
- The options shall be valid and exercisable for a period of 2 years from the date of vesting of the options.
- The consideration for the shares to be issued upon exercise of an option, may as determined by the Nomination & Remuneration Committee at the time of granting the Options, consist of cash, cheque, RTGS, NEFT or any other electronic mode of fund transfer or consideration received by the Company under a cashless exercise program implemented by the Company or any combination of the foregoing methods of payment.
- No employee shall, during any fiscal year of the Company, be granted options exceeding the limit fixed by the SEBI or any other relevant regulation as is applicable to such options.
- The Company shall confirm to the accounting policies mandated by applicable law or regulations of the SEBI or any other relevant regulation as is applicable to the accounting of such options.

RESOLVED FURTHER THAT the Board is also authorized to take necessary steps for listing of the shares allotted under the proposed plan, on the Stock Exchanges where the Company’s equity shares are listed as per the terms and conditions of the Uniform Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, evolve, decide upon and bring into effect the proposed plan on such terms and conditions as contained in the relevant explanatory statement to this notice and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in terms and conditions of the scheme from time to time including but not limited to amendments with respect to

vesting period, exercise price, eligibility criteria, vesting schedule or to suspend, withdraw or revive the proposed plan subject to the condition that it is not detrimental to the interests of the employees.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary or desirable and to appoint consultants, advisors, etc. and pay fees and commission and incur expenses in relation thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in relation to the implementation of the proposed plan and to the shares issued herein without being required to seek any 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 authority of this Resolution.

RESOLVED FURTHER THAT in case the Company's equity share capital or its valuation is effected due to any corporate action like issue of Bonus / Rights shares, stock split, consolidation, merger, restructuring or any such event happening subsequent to the grant of options, the Board shall have the discretion to make appropriate amendments to the proposed plan including change in number of options, the exercise price or floating a new scheme / extend the application of the existing scheme or any other fair and just mechanism including acceleration of options, in accordance with Law, if deemed necessary, while striving to ensure that the rights of employees are not affected.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein to any committee, with power to sub-delegate to any Executives/Officers of the Company to do all such acts, deeds, matters and things and also to execute such documents, writings etc., as may be necessary in this regard."

**By order of the Board of Directors
For Vardhman Textiles Limited**

**Sd/-
(Sanjay Gupta)
Company Secretary
M. No.: FCS 4935**

**Place: Ludhiana
Date: 24th January, 2024**

Notes:

1. The Explanatory Statement for the proposed resolutions pursuant to Section 102 read with Section 110 of the Companies Act, 2013 (the "Act") and Rule 22 of the Companies (Management and Administration) Rules, 2014, setting out material facts pertaining to the resolutions is annexed hereto and forms part of this Notice.

2. In accordance with the MCA Circulars, the Company has sent this Postal Ballot Notice through e-mail to all the Members of the Company whose names appear in the Register of Members/ List of Beneficial Owners as received from the National Securities Depository Limited (“NSDL”)/ Central Depository Services (India) Limited (“CDSL”), (collectively referred as “Depositories”), as on Friday, 2nd February, 2024 (the “Cut-off Date”) and who have registered their e-mail addresses in respect of electronic holdings with the Depository through the concerned Depository Participants (“DP”) and in respect of physical holdings with the Company’s Registrar and Share Transfer Agent, M/s Alankit Assignments Limited (“RTA”) or the Company.
3. In terms of the MCA Circulars, since the matters as proposed in the Postal Ballot Notice shall be passed by the Members of the Company through remote e-Voting only, therefore, the vote in this Postal Ballot cannot be exercised through proxy.
4. In terms of the MCA Circulars, the Company will send this Postal Ballot Notice in electronic form only and the hard copy of this Notice along with postal ballot forms and pre-paid business envelope will not be sent to the Members for this Postal Ballot in accordance with the requirements specified under the MCA Circulars. Accordingly, the communication of the assent or dissent of the Members would take place through remote e-Voting only.
5. Members who have not registered their email addresses can now register the same by sending scanned copy(ies) of duly signed request letter, along with such other documents as mentioned in point no. 15, to the Company at secretarial.lud@vardhman.com. Members holding shares in demat form are requested to register their email addresses with their DP’s only.
6. The Postal Ballot Notice is also available on the website of the Company at www.vardhman.com. The same can also be accessed from the website of the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited at www.nseindia.com and www.bseindia.com, respectively and on the website of Central Depository Services (India) Limited (e-Voting agency) at www.evotingindia.com.
7. All the material documents referred to in the explanatory statement will be available for inspection at the Registered Office of the Company during office hours on all working days from the date of dispatch until the last date for receipt of votes by Postal Ballot/e-voting. Alternately, Members may also send their requests to secretarial.lud@vardhman.com from their registered e-mail addresses mentioning their names, folio numbers, DP ID and Client ID during the voting period of the postal ballot.
8. Person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date, i.e. Friday, 2nd February, 2024, shall be entitled to avail the facility of remote e-Voting. A person who is not a Member as on the Cut-off date should treat this notice for information purpose only.

It is, however, clarified that all Members of the Company as on the Cut-off Date, including those Members who may not have received this Notice due to non-registration of their e-mail IDs with the Company/RTA/ Depositories, shall be entitled to vote in relation to the resolutions specified in this Notice in accordance with the process specified hereinafter in

this Notice.

9. The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off Date i.e. Friday, 2nd February, 2024.
10. The Board of Directors of the Company in its meeting held on January 24, 2024 has appointed M/s. Khanna Ashwani & Associates, Practicing Company Secretaries as Scrutinizer for conducting the Postal Ballot / e-Voting process in a fair and transparent manner. Mr. Ashwani Kumar Khanna (Certificate of Practice No. 2220), Prop. of the said firm, has given his consent to act as the scrutinizer and would be available for the purpose of ascertaining the requisite majority.
11. The Scrutinizer will, after the conclusion of remote e-Voting, unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and submit his report to the Chairman or any other person authorised by the Board including Company Secretary, who shall countersign the same and declare the result of the voting forthwith. The result of the Postal Ballot shall be declared latest by 05:00 p.m. on Tuesday, 12th March, 2024. The last date specified by the Company for e-Voting i.e. Sunday, 10th March, 2024, shall be the date on which the resolutions would be deemed to have been passed, if approved by the requisite majority. The Scrutinizer's decision on the validity of votes cast through Postal Ballot will be final.

The result of the Postal Ballot and Report of Scrutinizer will also be displayed on the website of the Company at www.vardhman.com. The same can also be accessed from the website of the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited at www.nseindia.com and www.bseindia.com, respectively and on the website of CDSL (e-Voting agency) at www.evotingindia.com.

12. As required by Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 read with the MCA Circulars and the Listing Regulations, the details pertaining to this Postal Ballot will be published in one National daily newspaper circulating throughout India (in English language) and one daily newspaper published in the language of the region, where registered office of the Company is situated (i.e. in Punjabi language).
13. Important details regarding the remote e-Voting facility are provided below:

Cut-off date for determining the Members entitled to vote through e-Voting	Friday, 2 nd February, 2024
Commencement of voting	Saturday, 10 th February, 2024 at 09:00 a.m. IST
End of voting	Sunday, 10 th March, 2024 at 05:00 p.m. IST

The e-Voting module will be disabled by the Service provider i.e. CDSL after 5:00 P.M. on Sunday, 10th March, 2024.

14. Instructions for voting through remote e-Voting:

In compliance with the provisions of Regulation 44 of the Listing Regulations, Sections 108 and 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (as amended), MCA Circulars and Secretarial Standard on General Meeting (SS-2), the Company is providing a facility to all its Members to enable them to cast their vote on the matters listed in this Notice by electronic means (e-Voting). The e-Voting facility is being provided by CDSL.

The dispatch of the Notice shall be deemed to be completed on the day on which the Company sends out the communication for the Postal Ballot process by e-mail to the Members of the Company. The e-Voting period begins at 9.00 A.M. (IST) on Saturday, 10th February, 2024 and ends at 5.00 P.M. (IST) on Sunday, 10th March, 2024. During this period, shareholders' of the Company holding shares either in physical form or in dematerialized form, as on the Cut-off Date i.e. Friday, 2nd February, 2024 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.

Once the vote on a resolution is casted by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.

The instructions for Members for voting through electronic means are as under:

(a) As per SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, on e-Voting Facility provided by Listed Entities, **“individual shareholders holding shares of the Company in demat mode”** can cast their vote, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Members are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility. The procedure to login and access remote e-Voting, as devised by the Depositories / Depository Participant(s), is given below:

Option 1 – Login through Depositories

NSDL	CDSL
<p>1. Members who have already registered for IDeAS facility to follow below steps:</p> <p>(i) Go to URL: https://eservices.nsd.com</p> <p>(ii) Click on the “Beneficial Owner” icon under ‘IDeAS’ section.</p> <p>(iii) A new page will open. Enter the existing User ID and Password. On successful authentication, click on “Access to e-Voting”.</p> <p>(iv) Click on the company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</p>	<p>1. Members who have already registered for Easi / Easiest to follow below steps:</p> <p>(i) Go to URL: www.cdslindia.com and then go to Login and select New System Myeasi.</p> <p>(ii) Login with user id and password.</p> <p>(iii) Click on e-Voting. The option will be made available to reach e-Voting page without any further authentication.</p> <p>(iv) Click on the Company name or e-Voting service provider name to cast your vote during the remote e-Voting period.</p>

<p>2. User not registered for IDeAS e-Services:</p> <p>(i) To register click on link: https://eservices.nsdl.com. Select option “Register Online for IDeAS” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.</p> <p>(ii) Proceed with completing the required fields.</p>	<p>2. User not registered for Easi/Easiest:</p> <p>(i) Option to register is available at www.cdslindia.com</p> <p>(ii) Click on login & New System Myeasi Tab and then click on registration option.</p>
<p>3. Users can directly access e-Voting module of NSDL and follow the below process:</p> <p>(i) Go to URL: https://www.evoting.nsdl.com/</p> <p>(ii) Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</p> <p>(iii) Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</p> <p>(iv) On successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</p> <p>(v) Click on the Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>	<p>3. Users can directly access e-Voting module of CDSL and follow the below process:</p> <p>(i) Go to URL: www.cdslindia.com</p> <p>(ii) Click on the icon “E-Voting”</p> <p>(iii) Provide demat Account Number and PAN No.</p> <p>(iv) System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.</p> <p>(v) After successful authentication, the user will be provided links for the respective ESP where the e-Voting is in progress.</p> <p>(vi) Click on the Company name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

Option 2 - Login through Depository Participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on the company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
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Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cDSLindia.com or contact at 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(iv) Login method for e-Voting for shareholders other than individual shareholders holding in Demat form and physical shareholders:

(i) The Members should log on to the e-voting website www.evotingindia.com.

(ii) Click on “Shareholders” module.

(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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-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 Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	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. <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 (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 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.

(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 EVSN: 240203001 for <Vardhman Textiles Limited> on which you choose to vote.

(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 a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xvi) If a demat account holder has forgotten the login 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) Additional facility for Non-Individual Shareholders and Custodians – Remote e-Voting only:

- 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 in the “Corporates” module.
- 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.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; secretarial.lud@vardhman.com, if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

15. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES:

- a) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to secretarial.lud@vardhman.com / rta@alankit.com.
- b) For Demat shareholders - please update your email id & mobile no. with your respective Depository Participant (DP).
- c) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you may write an email to helpdesk.evoting@cdslindia.com or contact 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Senior Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 1800 22 55 33.

**By order of the Board of Directors
For Vardhman Textiles Limited**

**Sd/-
(Sanjay Gupta)
Company Secretary
M. No.: FCS 4935**

**Place: Ludhiana
Date: 24th January, 2024**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013
FORMING PART OF THE NOTICE**

ITEM NO. 1:

The Board of Directors vide resolution dated 13th August, 2018 had re-appointed Mr. Shri Paul Oswal as the Managing Director of the Company for a period of 5 years with effect from 1st June, 2019 to 31st May, 2024. His appointment was approved by the Members in their Annual General Meeting held on 27th September, 2018. His remuneration was further revised by the Board of Directors in its meeting held on 06th September, 2022 and the same was approved by Shareholders in the Annual General Meeting held on 30th September, 2022.

Mr. Shri Paul Oswal is a dedicated and committed business leader known for his acumen in the Textile Industry. It is under his able leadership that the Company has successfully sailed through many a turbulent times and has grown into one of the largest textile companies in India, while creating wealth for the shareholders. Considering his hard work and dedicated efforts being put up by him in managing the key operations of the Company, the Board of Directors of your Company, based on the recommendations of the Nomination and Remuneration Committee, has approved the re-appointment of Mr. Shri Paul Oswal as the Managing Director of the Company for a term of 5 years starting from 1st June, 2024 to 31st May, 2029. The terms and conditions of the remuneration proposed to be paid to him are detailed in the resolution.

His re-appointment is subject to the approval of the Members of the Company. The Board recommends the Special Resolution as set out at Item No. 1 of the Postal Ballot Notice for approval by the Members. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Mr. Shri Paul Oswal, being appointee, Mr. Sachit Jain, Mrs. Suchita Jain and Ms. Sagrika Jain, being appointee's relative, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 1.

ITEM NO. 2:

The Board of Directors vide its resolution dated 6th February, 2019 had re-appointed Mr. Neeraj Jain as Joint Managing Director of the Company for a term of 5 (five) consecutive years starting from 1st April, 2019 to 31st March, 2024. His appointment was approved by the Members in their Annual General Meeting held on 30th September, 2019. His remuneration was further revised by the Board of Directors in its meeting held on 21st May, 2022 and the same was approved by Shareholders in the Annual General Meeting held on 30th September, 2022.

Mr. Neeraj Jain is a Chartered Accountant and has an experience of more than 32 years in Textile Industry. Considering his experience and overall performance, and based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors

vide its resolution dated 24th January, 2024 had re-appointed Mr. Neeraj Jain as the Joint Managing Director of the Company for a period of five consecutive years starting from 1st April, 2024 to 31st March, 2029. The terms and conditions of the remuneration being paid to him are detailed in the resolution. His appointment is subject to approval of Members of the Company.

The Board recommends the Ordinary Resolution as set out at Item No. 2 of the Notice for approval by the Members. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Mr. Neeraj Jain, being the appointee, none of the Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 2.

ITEM NO. 3:

VARDHMAN TEXTILES LIMITED EMPLOYEE STOCK OPTION PLAN 2024

a) Brief description of the scheme:

In order to create a sense of ownership and participation amongst the employees; to motivate the employees with incentives, inspire loyalty and reward opportunities, to provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company and to achieve sustained growth of the Company, the Board of Directors in its meeting held on 24th January, 2024 have approved and proposed for the approval of the shareholders for issue of Stock Options as per which employees, who comply with certain eligibility criteria would be granted stock options to subscribe a specified number of equity shares of the Company offered to them at a price to be determined. The proposed plan would be subject to and in conformity with the SEBI SBEB Regulations.

b) Total number of options to be offered and granted:

- i) The maximum aggregate number of shares that may be granted under the proposed plan is 1.20% of the total issued capital i.e. 34,70,097 equity shares of the face value of Rs. 2/-.
- ii) One option entitles the holder of the options to apply for one equity share of the Company subject to corporate action.

c) Identification of classes of employees entitled to participate in the Plan:

The following are eligible to participate in the proposed plan of the Company:

- i) an employee as designated by the Company, who is exclusively working in India or outside India; or
- ii) a director of the Company, whether a whole time director or not, including a non-

executive director who is not a promoter or member of the promoter group, but excluding:

- a. an independent director;
- b. an employee who is a promoter or a person belonging to the promoter group;
- c. a director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company.

d) Requirements of vesting and period of vesting:

There shall be a minimum period of one year between the grant of options and vesting of options. The maximum vesting period and other conditions for vesting shall be decided by the Nomination & Remuneration Committee at the time of grant of options. However, in case where options are granted by the Company under the proposed plan in lieu of options held by an employee under an ESOP plan in another company which has merged or amalgamated with the Company, the period during which the options granted by the transferor company were held by him shall be adjusted against the minimum vesting period of one year.

e) Maximum period within which options shall be vested:

The vesting shall happen in one or more tranches as may be decided by the Nomination & Remuneration Committee and communicated to the employees at the time of grant.

f) Exercise price or price formula:

The exercise price for the conversion of one option into one equity share shall be as decided by the Nomination & Remuneration Committee.

g) Exercise Period and the Process of Exercise:

- i) Exercise period shall be two years from the date of vesting of the options.
- ii) If an eligible employee's employment with the Company terminates otherwise than due to "Cause", the eligible employee shall be eligible to exercise all the vested options within 30 days of his termination of employment with the Company or such extended period as decided by the Nomination & Remuneration Committee.

"Cause" for the purpose of the Plan shall mean, as determined by the Nomination & Remuneration Committee and shall include,

- (a) the engaging by the eligible employee in wilful, reckless or grossly negligent conduct which is determined by the Nomination & Remuneration Committee to be detrimental to the interest of the Company or any of its affiliates, monetarily or otherwise,
- (b) fraud, misfeasance, breach of trust or wrongful disclosure of any secret or confidential information about the Company,
- (c) the eligible employee's pleading guilty to or conviction of a felony,
- (d) violation of any of the terms of employment contract.

- iii) If an eligible employee's employment with the Company terminates due to Death or Permanent disability, the eligible employee/nominee shall be eligible to exercise all the options within 30 days or such period as decided by the Nomination & Remuneration Committee.
- iv) The options will be exercisable by the employees by a written application to the Company, to exercise the options, in such manner and on execution of such documents as may be prescribed by the Nomination & Remuneration Committee under the proposed plan.
- v) The options will lapse if not exercised within the specified exercise period.

h) Appraisal process for determining the eligibility of employees under the Scheme:

- i) Employees would be granted stock options based on such parameters as may be decided by the Nomination & Remuneration Committee from time to time.
- ii) The Nomination & Remuneration Committee may at its discretion extend the benefits of the proposed plan to any existing employee or a new entrant on such other basis as it may deem fit.

i) Maximum number of options to be issued per employee and in aggregate:

- i) The maximum number of options to be granted to each employee will depend upon the rank/ designation of the employee as on the date of grant of options. However, no employee shall be entitled to more than such number of options exceeding the limit fixed by the SEBI or any other relevant regulation as is applicable to such options.
- ii) The maximum aggregate number of shares that may be granted under the proposed plan is 1.20% of the total issued share capital i.e. 34,70,097 shares.
- iii) The Nomination & Remuneration Committee shall decide on the number of options to be granted to each employee within this limit.

j) Maximum quantum of benefits to be provided per employee:

The maximum quantum of benefit to be provided per employee shall depend upon various factors e.g. number of option granted, exercise price and Fair Market Value on exercise date. However, no employee shall be entitled to more than such number of options exceeding the limit fixed by the SEBI or any other relevant regulation as is applicable to such options.

k) Whether the scheme is to be implemented and administered directly by the Company or through a trust:

The scheme shall be directly implemented and administered by the Company through the Nomination & Remuneration Committee.

l) Whether the scheme involves new issue of shares by the Company or secondary acquisition by the trust or both:

The Company shall issue fresh shares as and when application for exercise of options are

received by the Company from the employees.

m) Amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.:

Not applicable since this is currently not contemplated under the Scheme.

n) Maximum percentage of secondary acquisition that can be made by the trust for the purposes of the scheme:

Not applicable since this is currently not contemplated under the Scheme.

o) Accounting and Disclosure Policies:

The Company shall conform to the accounting policies specified in the SEBI SBEB Regulations and/or such other guidelines as may be applicable from time to time.

p) Method of valuation of the options:

The Company shall comply with the requirements of Indian Accounting Standards (Ind AS) and shall use Fair Value method for valuation of the options.

q) Statement with regard to Disclosure in Directors' Report:

As the Company is adopting Fair Value Method, presently there is no requirement for disclosure in Directors' Report. However, if in future, the Company opts for expensing of share based employee benefits using the Intrinsic Value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the Fair Value Method, shall be disclosed in the Directors' Report and the impact of this difference on profits and on earnings per share ("EPS") of the Company shall also be disclosed in the Directors' Report.

r) Lock-in period:

The Scheme does not specify any lock-in period after the exercise of the option. However, the Nomination & Remuneration Committee reserves the right to determine the lock-in period for shares issued pursuant to the exercise of options.

s) Terms & conditions for buyback, if any, of specified securities/Options covered under the Scheme:

Subject to the provisions of the applicable laws, the Board/ Nomination & Remuneration Committee shall determine the procedure for buyback of the specified securities/ Options if to be undertaken at any time by the Company and the applicable terms and conditions thereof.

Regulation 6 of the SEBI SBEB Regulations requires that any ESOP Scheme for offering stock options to the employees of the Company must be approved by the shareholders by way of

a Special Resolution in the General Meeting and furthermore, as the Scheme will entail further shares to be offered to persons other than the existing shareholders of the Company, consent of the Members is required by way of a Special Resolution pursuant to the provisions of sub section (b) of Section 62 of the Companies Act, 2013 for the Item No. 3 and all other applicable provisions of the law for the time being in force.

The Board of Directors recommends the Special Resolution as set out in Item No. 3 for the approval of the Members. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Mr. Neeraj Jain, Joint Managing Director, Mr. Rajeev Thapar, Chief Financial Officer and Mr. Sanjay Gupta, Company Secretary, none of the Directors/Key Managerial Personnel of the Company/ their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), regarding the Directors seeking appointment.

Name of the Director	Mr. Shri Paul Oswal	Mr. Neeraj Jain
Date of Birth	08.04.1942	09.10.1967
Age (in years)	82	56
Date of First Appointment	08.10.1973	31.03.2010
Number of Meetings of the Board attended	3	5
Expertise in specific functional area	Experience of more than 55 years in Textile Industry.	Business Executive having experience of more than 32 years in Textile Industry.
Qualification	M.Com (Gold Medalist)	B.Com, Chartered Accountant
Directorships in Other Listed Companies as on the date of this Notice	<ul style="list-style-type: none"> • Vardhman Holdings Limited • Vardhman Acrylics Limited 	Nil
Chairman/Member of Committees of Other Listed Companies as on date of this Notice	<p>Nomination and Remuneration Committee: Vardhman Acrylics Limited – Member</p> <p>Share Transfer Committee: Vardhman Holdings Limited - Chairman</p>	Nil
Listed entity from which the Director resigned in last 3 years	Nil	Nil
Skills and capabilities required by Independent Directors for the role and manner in which such requirements are met.	N.A.	N.A.
No. of shares held	29,87,955	8,000
Relationship with other Director(s)/ KMP	Mr. Sachit Jain is the son-in law, Mrs. Suchita Jain is daughter and Ms. Sagrika Jain is grand daughter of Mr. Shri Paul Oswal.	Not related to any Director/ KMP.