Oswal® Group

Vardhmān POLYTEX LIMITED

Corporate & Regd, Office : 341, K-1, Mundian Khurd, P.O. Sahabana,
Chandigarh Road, Ludhiana-141123 Punjab (INDIA)
Phone : 91-161-2685301-305 Fax : 91-161-5052439
E-mail : info@oswalgroup.com

REF: VPL: SCY: MAR: 2011-12 ***DATED: 03.03.2012***

The Listing Dept,
National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East)
Mumbai – 400 051

***SUBJECT**: Abstract under section 302 of the Companies Act, 1956*

Dear Sir,

As pursuant to the provisions of Listing Agreement, we are enclosing herewith an abstract under section 302 of the Companies Act, 1956 for the terms of the re-appointment of and remuneration payable to Mr. Ashok Kumar Oswal, Chairman and Managing Director and Mr. Adish Oswal, Executive Director as contained in the resolutions passed by the Board of Director dated 11.02.2012.

This is for your information and record.

Thanking you,

Yours faithfully
For VARDHMAN POLYTEX LTD

VARDHMAN POLYTEX LTD. CHANDIGARH (CO.)

SUSHIL SHARMA
COMPANY SECRETARY

VARDHMAN POLYTEX LIMITED

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

To

The Members,
Vardhman Polytex Limited

Subject: Abstract & Memorandum of Interest under Section 302 of the Companies Act, 1956

The Board of Director of Company at their Meeting held on 11th February, 2012, on the recommendation/approval of the Remuneration Committee, unanimously approved the terms of re-appointment and the payment of remuneration to Mr. Ashok Kumar Oswal, Chairman and Managing Director and Mr. Adish Oswal, Executive Director with effect from 1st April, 2012 for a period of three years. These resolutions/ re-appointments are subject to approval of the Members and Central Government, if necessary.

As required under Section 302 of the Companies Act, 1956 an abstract of the terms of the re-appointment of and remuneration payable to Mr. Ashok Kumar Oswal, Chairman and Managing Director and Mr. Adish Oswal, Executive Director as contained in the resolutions passed by the Board of Director and the Memorandum of concern or interest of directors are set out below:

1. RE-APPOINTMENT OF MR. ASHOK KUMAR OSWAL AS CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY:

1. Designation: Chairman and Managing Director
2. Tenure: For a period of three years from 1st April, 2012 to 31st March, 2015.
3. Salary: Basic Salary will be Rs. 2,60,000/- (Rupees Two lac sixty thousand only) per month.
4. Commission: 2% of the Net Profits.
5. Perquisites: The following perquisites shall be allowed in addition to salary. The valuation of the perquisites shall be done as per Income Tax Rules, whenever applicable.
   (a) Housing- Free residential accommodation alongwith free furnishing or House Rent Allowance equal to 30% of the basic salary. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962.
   (b) Medical Allowance - Medical Allowance upto an amount of Rs. 5,000/- per month.
   (c) Reimbursement of electricity and water charges not exceed to Rs. 3,00,000/- per annum.
   (d) Club Fees- Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
   (e) Provident Fund- Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
   (f) Gratuity- Gratuity payable shall not exceed half a month's salary for each completed year of service.
   (g) Car & Telephone- Free use of Telephone & Company's Car for official work as per Company Rules.

The said remuneration and perquisites shall be subject to Part II of the Schedule XIII of the Companies Act, 1956 and in case during the tenure, there is a loss or the profits are inadequate in the financial year, the aforesaid remuneration and perquisites shall be paid to Mr. Ashok Kumar Oswal in that financial year as minimum remuneration.

Memorandum of concerned or interest of the directors:

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

2. RE-APPOINTMENT OF MR. ADISH OSWAL AS EXECUTIVE DIRECTOR OF THE COMPANY:

1. Designation: Executive Director
2. Tenure: For a period of three years from 1st April, 2012 to 31st March, 2015.
3. Salary: Basic Salary will be Rs. 2,60,000/- (Rupees Two lac sixty thousand only) per month.
4. Commission: 0.75% of the Net Profits.
5. Perquisites: The following perquisites shall be allowed in addition to salary. The valuation of the perquisites shall be done as per Income Tax Rules, whenever applicable.
   (a) Housing- House Rent Allowance equal to 30% of the basic salary.

(b) Medical Re-imbursement- Medical Reimbursement upto an amount of Rs. 15,000/- per annum.

(c) Uniform and Washing Allowance- Uniform and Washing Allowance upto an amount of Rs. 3,000/- per month each.

(d) Bonus- Bonus equal to one month's basic salary for the year.

(e) Special Allowance- Special Allowance upto an amount of Rs. 25,000/- per month.

(f) Club Fees- Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

(g) Personal Accident Insurance- Premium not to exceed Rs. 5,000/- per annum.

(h) Provident Fund- Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(i) Gratuity- Gratuity payable shall not exceed half a month's salary for each completed year of service.

(j) Car & Telephone- Free use of Telephone & Company's Car for official work as per Company Rules.

The said remuneration and perquisites shall be subject to Part II of the Schedule XIII of the Companies Act, 1956 and in case during the tenure, there is a loss or the profits are inadequate in the financial year, the aforesaid remuneration and perquisites shall be paid to Mr. Adish Oswal in that financial year as minimum remuneration.

Memorandum of concerned or interest of the directors:

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

NOTE: Copy of the Resolutions passed by the Board of Directors in their Meeting held on 11th February, 2012 in respect of the above items is available for inspection at the Registered Office of the Company on all working days between 10:00 AM to 01:00 PM

By order of the Board
for Vardhman Polytex Limited

Place: Ludhiana
Dated: 11.02.2012

Sd/-
(Sushil Sharma)
Company Secretary

BOOK- POST

If undelivered please return to:

Vardhman Polytex Ltd.
341K-1, Mundian Khurd, P.O. Sahabana,
Chandigarh Road, Ludhiana-141123