



# VIP CLOTHING LIMITED

(Formerly known as Maxwell Industries Limited)

Registered Office : C-6, Road No.22, MIDC, Andheri (East), Mumbai – 400093  
CIN: L18101MH1991PLC059804 Website : www.vipclothing.in Email: investor.relations@viporg.com  
Tel: +91 22 28257624/27 Fax: +91 22 28371023/24

## POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014)

Dear Members,

Notice is hereby given pursuant to the provisions of Section 110 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Rule 22 of the Companies (Management and Administration) Rule, 2014 (the "Rules"), (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), that the resolutions appended below are proposed to be passed by the Members through postal ballot/electronic voting (E-voting). The explanatory statement pertaining to the aforesaid resolutions setting out the material facts concerning each item and the reason thereof are annexed hereto with a Postal Ballot Form for your consideration.

The Board of Directors of the Company ("Board") has appointed M/s. RS & MP Associates, Company Secretaries, Mumbai, as the Scrutinizer ("Scrutinizer") for conducting the Postal Ballot/E-voting process in a fair and transparent manner.

Members desiring to exercise their vote by means of physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed in the enclosed self-addressed Business Reply Envelope so as to reach the Company not later than 17:00 hours IST on Thursday, 7<sup>th</sup> December, 2017. Postage will be borne and paid by the Company. Postal Ballot Forms, if sent at the expense of the Members, will also be accepted. The Postal Ballot Forms may also be deposited personally at the address given on the Business Reply Envelope. Please note that, Postal Ballot Forms received after 17:00 hours IST on Monday, 11<sup>th</sup> December, 2017 shall be deemed invalid.

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes under the section 'Voting through Electronic Means'. References to Postal Ballot(s) in this Postal Ballot Notice include votes received electronically.

The scrutinizer will submit his report to the Chairman and Managing Director of the Company and / or any other authorised person of the Company after the completion of the scrutiny, and the results of voting by means of the Postal Ballots (including E-voting). The result of the Postal Ballot shall be declared by the Chairman and Managing Director of the Company or any other authorised person of the Company on or before Monday, 11<sup>th</sup> December, 2017 and communicated on the same day to the stock exchanges, depository, registrar and share transfer agent and shall also be displayed on the Company's website, <http://www.vipclothing.in/investors>.

### SPECIAL BUSINESS:

#### 1. To approve VIP Employee Stock Option Scheme – 2017 (ESOS - 2017).

To consider and, if thought fit, to give assent or dissent to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 42, 62 (1) (b) of the Companies Act, 2013 (the Act") and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the provisions of the Securities and Exchange Board of India ("SEBI") (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with circulars / guidelines issued by SEBI, the Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable laws, rules and regulations, Circulars / guidelines for the time being in force, and from time to time and subject to any such other consents, permissions, sanctions and approvals of any authorities as may be required, and subject to any such condition(s) or modification(s), if any, as may be prescribed or imposed by such authorities while granting such approval(s), and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee including the Nomination and Remuneration Committee which the board has constituted to exercise its powers including the powers conferred by the resolution), the consent of the Members be and is hereby accorded to the Board to grant, vest and allot, from time to time and in one or more tranches, Options under the "VIP Employee Stock Option Scheme – 2017" ("ESOS - 2017") the salient features of which are detailed in the Explanatory Statement to this Notice to or for the benefit of such person(s) who are in the permanent employment of the Company, whether working in India or outside India, including Director of the Company, whether Whole-time Director or not, but excluding Promoter, Promoter group and Independent Director(s) and to such other persons as may be decided by the Board and/or permitted under SBEB Regulations (hereinafter collectively referred to as "Eligible Employees") selected on the basis of criteria decided by the Board under the ESOS-2017, such number of stock options convertible into Equity Shares of the Company ("Options"), in one or more tranches, not exceeding 20,00,000 equity shares of face value of ₹ 2/- (Rupees Two only) each, at such price and on such terms and conditions, as may be fixed or determined by the Board in accordance with the ESOS - 2017, and in due compliance with the SBEB Regulations and other applicable laws, rules and regulations.

**RESOLVED FURTHER THAT** the Scheme may also envisage provisions for providing financial assistance to the Eligible Employees to enable them to acquire, purchase or subscribe to the said Securities of the Company in accordance with the provisions of the Act / Regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot Equity Shares directly to the eligible Employees upon exercise of Options from time to time in accordance with the ESOS - 2017 and such equity shares shall rank pari-passu in all respects with the then existing equity shares of the Company.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organisation of capital structure of the Company, as applicable from time to time, if any, additional equity shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the Stock Options granted earlier, the above ceiling shall be deemed to be increased to the extent of such additional equity shares issued.

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued and allotted on exercise of Options granted under the ESOS - 2017 and the exercise price of Options granted under the ESOS - 2017 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 2/- (Rupees Two only) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Stock Options under the ESOS - 2017.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above the Board, which includes the Nomination and Remuneration Committee is authorised to formulate, evolve, decide upon and implement the ESOS - 2017, determine the detailed terms and conditions of the aforementioned ESOS - 2017 including but not limited to the quantum of the Options to be granted per employee, the number of Options to be granted in each tranche, the terms or combination of terms subject to which the said Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such Stock Options shall lapse and to grant such number of Options, to such employees of the Company, at par or at such other price, at such time and on such terms and conditions as set out in the ESOS - 2017 and as the Board or the Nomination and Remuneration Committee may in its absolute discretion think fit.

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee be designated as the Compensation Committee in accordance with Regulation 5(1) of the SEBI ESOS Regulations for the purposes of administration of ESOS - 2017.

**RESOLVED FURTHER THAT** the Board is hereby authorised to make any modifications, changes, variations, alterations or revisions in the ESOS - 2017 as it may deem fit, from time to time or to suspend, withdraw, revive or terminate ESOS - 2017, from time to time, in conformity with applicable laws, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

**RESOLVED FURTHER THAT** the Board shall take necessary steps for listing of the Equity Shares allotted under the ESOS - 2017 on the Stock Exchanges, where the Shares of the Company are listed in accordance with the provisions of the SEBI ESOS Regulations, the SEBI LODR Regulations and other applicable laws and regulations.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the ESOS - 2017, at any stage including at the time of listing of the equity shares issued herein without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

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

**2. To extend approval of VIP Employee Stock Option Scheme – 2017 (“ESOS - 2017”) for the employees of Holding / Subsidiary Company (ies).**

To consider and, if thought fit, to give assent or dissent to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 42, 62 (1) (b) of the Companies Act, 2013 (the “Act”) and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the provisions of the Securities and Exchange Board of India (“SEBI”) (Share Based Employee Benefits) Regulations, 2014, (“SBEB Regulations”) (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with circulars / guidelines issued by SEBI, the Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), and other applicable laws, rules and regulations, Circulars / guidelines for the time being in force and subject to any such other consents, permissions, sanctions and approvals of any authorities as may be required, and subject to any subject to any such condition(s) or modification(s), if any, as may be prescribed or imposed by such authorities while granting such approval(s), and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee including the Nomination and Remuneration Committee which the board has constituted to exercise its powers including the powers conferred by the resolution), the consent of the Members be and is hereby accorded to the Board to extend the benefits of VIP Employee Stock Option Scheme - 2017 (“ESOS - 2017”) proposed in the Special Resolution under Item No.1 above, to such persons who are in the permanent employment of the holding/subsidiary company(ies) of the Company, (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time), (hereinafter referred to as “Holding / Subsidiary Companies”), whether working in India or out of India and to the directors of the Holding/Subsidiary Companies, and to such other persons as may from time to time be allowed, under prevailing laws, rules and regulations, and/or amendments thereto from time to time, on such terms and conditions as may be decided by the Board, and selected on the basis of criteria prescribed by the Board, hereinafter referred to as “Holding / Subsidiary Companies Employees” at such price or prices in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the ESOS - 2017.

**RESOLVED FURTHER THAT** for the purpose of creating, offering, issuing, allotting and listing of the Securities, the Board be authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the ESOS - 2017 from time to time or to suspend, withdraw, or revive ESOS - 2017 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be authorized to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Members of the Company.”

By order of the Board of Directors  
**For VIP CLOTHING LIMITED**  
(Formerly known as Maxwell Industries Limited)

Sd/-  
**Ashish Mandaliya**  
Chief Financial Officer and Company Secretary

Place: Mumbai  
Date: 24<sup>th</sup> October, 2017

**Registered Office**

C-6, Road No. 22, MIDC  
Andheri (East), Mumbai – 400 093.  
CIN : L18101MH1991PLC059804  
E-mail:investor.relations@viporg.com

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**Notes:**

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out all material facts relating to the resolutions mentioned in this Postal Ballot Notice is attached.
2. In compliance with Sections 108 and 110 of the Companies Act, 2013 and the Rules made thereunder, the Company has provided the facility to Members to exercise their votes electronically and to vote on all resolutions through the e-voting service facility arranged by CDSL. The instructions for electronic voting are annexed to this Notice
3. M/s. RS & MP Associates, Company Secretaries, Mumbai, has been appointed as Scrutinizer for conducting the E-voting/ Postal Ballot in accordance with the law in a fair and transparent manner.
4. The Company has engaged Central Depository Services (India) Limited (“CDSL”) to offer E-voting facility to all its members enable them to cast their votes electronically. This notice is being sent to all the members, whose names appear in the Register of Members / Records of Depositories as on the close of working hours on Friday, 27<sup>th</sup> October, 2017 i.e. “the cut-off date”. Voting Rights shall be reckoned on the paid-up value of the shares registered in the name of the members as on the cut-off date. E-voting is optional for members. The Postal Ballot Notice is sent electronically to all the shareholders who have registered their email addresses with the Company / Depositories and to other shareholders by Permitted board alongwith a postage prepaid self- address Business Reply Envelope.
5. The Postal Ballot form together with the self-addressed business reply envelope is enclosed for the use of the members. Please read carefully the instructions printed on the enclosed Postal Ballot form before exercising your vote and return the same duly completed, signifying your assent / dissent, in the attached self-addressed business reply envelope, so as to reach the Scrutinizer on or before 17:00 hours IST on 7<sup>th</sup> December, 2017
6. Members desiring to exercise their vote by using E-voting facility, should carefully follow the instructions for E-voting printed in this notice. A Member can log in any number of times till the votes are cast on all the resolutions or till the end of the Voting Period, whichever is earlier.
7. In case a Member wishes to obtain a printed Postal Ballot Form or a duplicate, he or she may send an email to investor.relations@viporg.com. Company shall forward the same along with postage-prepaid self-addressed Business Reply Envelope to the Member.
8. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Members as on Friday, 27<sup>th</sup> October, 2017. The Postal Ballot period commences on Wednesday, 8<sup>th</sup> November, 2017 (09:00 hours IST ) and ends on Thursday, 7<sup>th</sup> December, 2017 ( 17:00 hours IST ).
9. The Scrutinizer will submit his report of the votes polled through E-voting/ Postal Ballot, to the Chairman and Managing Director or any authorize person of the Company. The Chairman and Managing Director or any authorized person of the company will announce the results of Voting by Postal Ballot on or before Monday, 11<sup>th</sup> December, 2017 and the resolutions will be taken as passed effectively on the date of announcement of the results by the Chairman and Managing Director or any authorize person as the case may be. The Scrutinizer’s decision on the validity of the votes cast through E-voting / Postal Ballot shall be final. The Results of the E-voting / Postal Ballot will be displayed on the website of the Company and intimated to the Stock Exchanges on which the shares of the Company are listed.
10. The resolutions, if passed by the requisite majority, shall be deemed to have been passed on Monday, 11<sup>th</sup> December, 2017 i.e. the last date specified for receipt of duly completed postal ballot forms or e-voting. Relevant documents referred to in this postal ballot notice and statement are available for inspection by the members at Company’s registered office of the Company during office hours on all working days except Saturday from the date of dispatch of this postal ballot notice until the last date for receipt of votes by postal ballot / e-voting.

11. Members cannot exercise votes by proxy

**12. VOTING THROUGH ELECTRONIC MEANS:**

In compliance with Regulation 44, SEBI Listing Obligation and Disclosure Requirements, 2015 (the "Listing Regulations") and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post. The Company has engaged the services of CDSL for the purpose of providing e-voting facility to all its Members.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Wednesday, 8<sup>th</sup> November, 2017 and ends on Thursday, 7<sup>th</sup> December, 2017. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 27<sup>th</sup> October, 2017 may cast their vote electronically. 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](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (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](http://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>	
<b>PAN</b>	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"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li></ul>
<b>Dividend Bank Details or Date of Birth (DOB)</b>	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"><li>• 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 (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 for the VIP CLOTHING LIMITED (Formerly known as Maxwell Industries 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) 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.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(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](http://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](mailto: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 linked in the login should be mailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com) and on approval of the accounts they would be able to cast their vote.
- 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.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).

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## EXPLANATORY STATEMENT UNDER SECTION 102(1) AND SECTION 110 OF THE COMPANIES ACT, 2013

### Item No. 1 and 2

Stock Options represent a reward system based on performance. They help companies attract, retain and motivate the best available talent. Stock Options also provide a company with an opportunity to optimise its personnel costs. This also provides an opportunity to employees to participate in the growth of the company, besides creating long term wealth in their hands.

Further, as the business environment is becoming increasingly competitive, it is important to attract and retain qualified, talented and competent personnel in the Company. Your Company believes in rewarding its Employees including employees of the Holding / Subsidiary Company(ies), if any, for their continuous hard work, dedication and support, which has led the Company and its Holding / Subsidiary Company(ies) on the growth path.

VIP Employee Stock Option Scheme – 2016 (ESOS – 2016) was introduced and approved by the Shareholders in the General meeting held on 27<sup>th</sup> September, 2016. However no options were granted pursuant to the ESOS – 2016 and since termination of VIP Employee Stock Option Scheme – 2016 (ESOS – 2016) is not prejudicial to the interests of the employees, the Board in its meeting held on 13<sup>th</sup> September, 2017 decided to terminate VIP Employee Stock Option Scheme – 2016 and simultaneously the Board proposed to introduce new Employee Stock Option Scheme with increase in Scheme size.

Keeping in line with the above, “VIP Employee Stock Option Scheme - 2017” (“the Scheme”) has been formulated by the Company and to be implemented by Nomination & Remuneration Committee constituted under Section 178 of the Companies Act, 2013 in accordance with the requirements of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI ESOS Regulations”) issued by SEBI and other applicable laws. The Scheme has been approved by the Board of Directors at their Meeting held on 13<sup>th</sup> September, 2017, subject to the approval of the members.

The Scheme will be operated and administered under the superintendence of the Company’s Nomination and Remuneration Committee, which is a Committee of the Board of Directors, the majority of whose Members are Independent Directors. The Nomination and Remuneration Committee will formulate the detailed terms and conditions of the Scheme including:

- Number of options to be granted to any Employee, and in the aggregate;
- Terms on which the options will vest;
- The conditions under which options vested in Employees may lapse in case of termination of Employees for misconduct;
- The exercise period within which an Employee should exercise the options, and lapsing of options on failure to exercise the options within the exercise period and determination of exercise price which may be different for different class / classes of Employees falling in the same tranche of grant of Options issued under ESOS - 2017;
- The specified time period within which the Employee shall exercise the vested options in the event of termination or resignation of the Employee;
- The right of an Employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
- The grant, vesting and exercise of options in case of Employees who are on long leave; and
- Any other related or incidental matters.

### Brief Description of the Scheme is given as under:

#### a) The total number of options to be granted:

The total number of options that may, in the aggregate, be issued would be such number of options which shall entitle the option holders to acquire in one or more tranches upto 20,00,000 equity shares of ₹ 2/- (Rupees Two only) each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time).

SEBI ESOS Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale or division and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the above ceiling Shares shall be deemed to be increased to the extent of such additional equity shares issued

Vested options lapsed due to non-exercise and / or unvested options that get cancelled due to resignation of Option grantees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the provisions of ESOS - 2017.

**b) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme:**

All permanent employees of the Company working in India or out of India and Directors (whether Managing / Whole time Director or not) and its Holding / Subsidiary Company(ies), (present or future) (excluding promoters and an employee who is a Promoter or a person belonging to the Promoter Group) and further excluding a director who either by himself or through his relative or through any Body Corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company and excluding Independent Directors as may be decided by the Nomination and Remuneration Committee.

The class of Employees eligible for participating in the Scheme shall be determined on the basis of the grade, number of years service, performance, role assigned to the employee and such other parameters as may be decided by the Nomination and Remuneration Committee in its sole discretion from time to time.

The options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

**c) Terms of the scheme:**

- (1) The Company shall not vary the terms of the schemes in any manner, which may be detrimental to the interests of the Option Grantees; Provided that the company shall be entitled to vary the terms of the schemes to meet any regulatory requirements.
- (2) Subject to the proviso to sub-regulation (1) the company may by special resolution in a general meeting vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employee provided such variation is not prejudicial to the interests of the Option Grantees.
- (3) The notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefore, and the details of the Option Grantees who are beneficiaries of such variation.
- (4) The Company may re-price the options as the case may be which are not exercised, whether or not they have been vested if the terms of the grants were rendered unattractive due to fall in the price of the shares in the stock market; Provided that the company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantees and approval of the shareholders in general meeting has been obtained for such re-pricing.

**d) Transferability of Employee Stock Options:**

- (1) The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option Grantee, the right to exercise all the Options granted to him till such date shall be vest in his legal heirs or nominees.
- (2) In the event of resignation or termination of the Option Grantee, all the options which are granted and yet not vested as on that day shall lapse.
- (3) In the event that an Option Grantee who has been granted benefits under a scheme is transferred or deputed to an Holding / Subsidiary Company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

**e) Requirements of vesting and period of vesting:**

Vesting of options may commence after a period of not less than one year from the date of grant. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as stipulated in the ESOS-2017.

Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising:

Sr. No.	Separations	Vested Options	Unvested Options
1	<b>Resignation (other than due to Cause)</b>	All Vested Options as on date of submission of resignation may be exercised by the Option Grantee <b>on or before his last working day with the Company.</b>	All Unvested Options on the date of submission of resignation shall stand <b>cancelled</b> with effect from that date.
2	<b>Termination due to Cause</b>	All Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand <b>cancelled</b> with effect from the termination date.
3	<b>Retirement or early Retirement approved by the Company</b>	All Vested Options as on date of submission of resignation may be exercised by the Option Grantee <b>within six months from his last working day with the Company.</b>	All Unvested Options shall stand <b>cancelled</b> as on the date of such Retirement.

Sr. No.	Separations	Vested Options	Unvested Options
4	<b>Death</b>	All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than <b>one year</b> from the date of Death.	All the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than <b>one year</b> from the date of Death.
5	<b>Permanent Disability</b>	All Vested Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than <b>one year</b> from the date of such disability.	All the Unvested Options as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than <b>one year</b> from the date of such disability.
6	<b>Abandonment*</b>	All the Vested Options shall stand <b>cancelled</b> .	All the Unvested Options shall stand <b>cancelled</b> .
7	<b>Other reasons apart from those mentioned above</b>	The <b>Committee shall decide</b> whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand <b>cancelled</b> with effect from that date.

\*The Board / Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned.

**f) Maximum period within which the options shall be vested:**

The maximum vesting period may extend up to 7 (seven) years from the date of grant of options, unless otherwise decided by the Nomination and Remuneration Committee.

**g) Exercise price or pricing formula:**

Exercise Price means the price at which the Option Grantee is entitled to acquire the equity shares pursuant to the options granted and vested in him/her under the Scheme.

The Exercise Price per Options shall be equal to the price not less than the face value of shares and not more than the prevailing market price of the Equity Share of the Company as on date of grant of Options or any other price as decided by the Nomination and Remuneration Committee and it may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOS -2017.

**h) Exercise period and process of exercise:**

The exercise period may commence from the date of vesting and it shall not be more than 5 (five) years from the date of respective vesting of Options.

The options will be exercisable by the Option Grantee by a written application to the Company or any other entity which may be set up for this purpose to exercise the options, in such manner, and on execution of such documents, as may be prescribed by the Nomination and Remuneration Committee from time to time.

The options will lapse, if not exercised within the specified exercise period. The options may also lapse, under certain circumstances even before the expiry of the specified exercise period.

**i) Appraisal Process for determining the eligibility of Employees to the Scheme:**

The appraisal process for determining the eligibility of the Employee will be specified by the Nomination and Remuneration Committee and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and / or by any such criteria that may be determined by the Nomination and Remuneration Committee.

**j) Maximum number of options to be issued per Employee and in the aggregate:**

The maximum number of options to be granted per Employee will not exceed 12,00,000 equity shares of ₹ 2/- (Rupees Two only) each. The aggregate of all such grants shall not exceed 20,00,000 equity shares of ₹ 2/- (Rupees Two only) each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time).

**k) Certificate from auditors:**

The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company in the general meeting.

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

The Scheme will be implemented directly by the Company under the guidance of the Nomination and Remuneration Committee of the Board.

**m) Whether scheme involves new issue of shares by the Company or Secondary acquisition by the trust:**

The Scheme will involve only new issue of shares by the Company.

**n) Disclosure and accounting policies:**

The Company shall confirm to the accounting policies specified by Securities & Exchange Board of India as per the SEBI ESOS Regulations, amended from time to time and relevant Accounting Standard as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time.

**o) Method of Valuation:**

The Company follows fair value method for computing the compensation cost, if any, for the options granted. The company will follow IFRS / INDAS/ any other requirements for the same.

**p) Rights of the option holder:**

The employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are allotted upon exercise of option.

**q) Consequence of failure to exercise option:**

All unexercised options shall lapse if not exercised on or before the exercised period ends. The amount payable by the employee, if any, at the time of grant of option, -

- (a) may be forfeited by the company if the option is not exercised by the employee within the exercise period; or
- (b) may be refunded to the employee if the options are not vested due to non-fulfilment of conditions relating to vesting of option as per the Scheme.

**r) Other terms:**

The Board or Nomination and Remuneration Committee shall have the absolute authority to vary, modify or alter the terms of the Scheme in accordance with the regulations and guidelines as prescribed by the Securities and Exchange Board of India or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the Option Grantees.

The Board or Nomination and Remuneration Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the ESOS - 2017, subject to compliance with the Applicable Laws and Regulations.

The shares may be allotted directly to the Option Grantees in accordance with the Scheme and such Scheme may also contain provisions for providing financial assistance to the Employees to enable the Employees to acquire or subscribe to the shares.

As the Scheme would entail further shares to be offered to persons other than existing Members of the Company, consent of the members is sought pursuant to the provisions of section 42 and 62 (1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per the requirement of Clause 6 of the SEBI ESOS Regulations.

None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned in the Resolution No. 1 & 2, except to the extent of their shareholding entitlements, if any, under the ESOS Scheme.

Your Directors recommend the Resolution set out in Item No. 1 & 2 of the Notice for adoption by the Shareholders as Special Resolution/s.

By order of the Board of Directors  
**For VIP CLOTHING LIMITED**  
(Formerly known as Maxwell Industries Limited)

Sd/-  
**Ashish Mandaliya**  
Chief Financial Officer and Company Secretary

Place: Mumbai  
Date: 24<sup>th</sup> October, 2017

**Registered Office**

C-6, Road No. 22, MIDC  
Andheri (East), Mumbai – 400 093.  
CIN : L18101MH1991PLC059804  
E-mail:investor.relations@viporg.com

**Enclosures:**

1. Postal Ballot Form
2. Postage Pre-paid Addressed Envelope