

**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE **39TH ANNUAL GENERAL MEETING** of the members of **NAHAR SPINNING MILLS LIMITED** will be held on **Monday, the 30th day of September, 2019 at 11.00 A.M** at the premises of **M/s Nahar Industrial Enterprises Limited, Focal point, Ludhiana** to transact the following business:

**ORDINARY BUSINESS:****ITEM NO.1- ADOPTION OF FINANCIAL STATEMENTS**

To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon.

**ITEM NO. 2 - DECLARATION OF DIVIDEND**

To declare dividend @20% i.e. Rs. 1.00 per equity share of Rs. 5/- each for the year ended 31st March, 2019.

**ITEM NO. 3 - APPOINTMENT OF MR. DINESH GOGNA AS A NON-EXECUTIVE DIRECTOR LIABLE TO RETIRE BY ROTATION**

To appoint a director in place of Mr. Dinesh Gogna (DIN: 00498670), who retires by rotation and being eligible, offers himself for re-appointment.

**ITEM NO. 4 - APPOINTMENT OF MR. KAMAL OSWAL AS A NON-EXECUTIVE DIRECTOR LIABLE TO RETIRE BY ROTATION**

To appoint a director in place of Mr. Kamal Oswal (DIN: 00493213), who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:****ITEM NO. 5 - RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY**

To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force), the Cost Auditors M/s. Ramanath Iyer & Co. (Firm Registration No. 000019) appointed by the Board to conduct the audit of the Cost Records of the Company for the financial year 2019-20 at a remuneration of Rs. 1.75

Lakhs (Rupees One Lakh Seventy Five Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses incurred, be and is hereby ratified.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to above resolution.”

**ITEM NO.6- TO APPROVE THE PAYMENT OF REMUNERATION TO MR. DINESH OSWAL, MANAGING DIRECTOR, AS APPROVED BY SHARE HOLDERS ON 30<sup>TH</sup> SEPTEMBER, 2016**

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 197(1) of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment (s) there of for the time being in force) and as may be enacted from time to time and based on the recommendations of the Nomination and Remuneration Committee and approval of Board of Directors of the Company, consent and approval of the members of the Company, be and is hereby accorded for the payment of Remuneration to Mr. Dinesh Oswal, Managing Director of the Company (DIN: 00607290) as approved by the Shareholders vide their Special Resolution dated 30th September, 2016, as minimum remuneration in case of no profits or inadequacy of profits in any financial year during the period of two years commencing from January 1, 2020 till the expiry of his present term i.e. upto December 31, 2021 as detailed here under:

**Salary (Pay Scale):**

Rs. 56, 00,000-4, 00,000- 60, 00,000 per month.

Commission: 1.5% of the Net Profit

Perquisites: Following perquisites shall be allowed in addition to salary and commission

**1. Housing:** Sh. Dinesh Oswal shall be entitled to House Rent Allowance @50% of the salary.

**Explanation**

The Expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per income Tax rules, 1962. This shall however be subject to a ceiling of 10% of the salary of Mr. Dinesh Oswal.

**2. Medical Reimbursement:** Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or two months salary over a period of two years.

**3. Leave Travel Concession:** Leave Travel Concession for self and family twice in a year incurred by him.



4. **Club Fees:** Fees of club subject to a maximum of four clubs including Admission Fees and Life Membership Fees.
5. **Personal Accident Insurance:** Personal Accident Insurance of an amount, the annual premium of which shall not exceed Rs. 20,000/-.
6. **Provident Fund and Super-annuation Fund:** Contribution to Provident Fund, Super-annuation Fund or Annuity Fund in accordance with the rules specified by the Company.
7. **Gratuity:** Gratuity payable shall not exceed half month's salary for each completed year of service.
8. **Leave Encashment:** Encashment of leave at the end of the tenure, as per rules of the Company.
9. **Car and Telephone:** Free use of Company's car with Driver for official work and telephone at residence."

**Note:** For the purpose of perquisites stated herein above, family means the spouse, the dependent children and dependent parents of the appointee."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company, including the Nomination and Remuneration Committee, be and are hereby authorized to do all such acts, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### **ITEM NO. 7- TO APPROVE INCREASE IN REMUNERATION OF MR. SAMBHAV OSWAL HOLDING OFFICE OF PROFIT**

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 188(1)(f) of the Companies Act, 2013, read with Companies (Meetings of Board and its powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof for the time being in force and as may be enacted from time to time, consent and approval of the members of the Company, be and is hereby accorded for the increase/revision in remuneration of Mr. Sambhav Oswal, Vice President (Corporate Affairs) holding office of profit, w.e.f. 1<sup>st</sup> October, 2019, as detailed here below:

1. **Salary (Pay Scale):**  
Rs. 5, 00,000- 1, 00,000-10, 00,000 per month.
2. **Housing:** HRA @ 30% per month of the Basic Salary.
3. **Telephone:** Mobile/Telephone facility as per the Company's rules.
4. **Leave Encashment:** Leave encashment as per the Company's rules.
5. **Club Fees:** Fees of club subject to a maximum of two clubs including Admission Fees and Life Membership

Fees.

6. **Provident Fund:** Company's contribution towards Provident Fund as per Provisions of Employees Provident Fund Act.
7. **Gratuity:** Payable at a rate not exceeding half a month's salary for each completed year of service as per Company's rules.

8. **Reimbursement:** Reimbursement of actual traveling, boarding and lodging expenses and other amenities as may be incurred by him from time to time, in connection with the Company's business."

"**RESOLVED FURTHER THAT** Board of Directors including the Nomination and Remuneration Committee be and are hereby authorized to give yearly increment in the remuneration within the above pay scale to Mr. Sambhav Oswal from time to time in accordance with the Company's policy."

"**RESOLVED FURTHER THAT** Board of Directors including the Nomination and Remuneration Committee, be and are hereby authorized to do all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution."

**BY ORDER OF THE BOARD**

**BRIJ SHARMA**

**DATE: 13<sup>th</sup> AUGUST, 2019 (COMPANY SECRETARY)**

#### **REGISTERED OFFICE:**

**373, Industrial Area-A,  
Ludhiana -141003(India)  
CIN: L17115PB1980PLC004341  
E-mail: secnsm@owmnahar.com**

#### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.



3. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto and form part of this Notice.
4. A Route Map to reach the venue of the Annual General Meeting, including prominent land mark for easy location, has been provided at the end of the Annual Report.
5. The Register of Members and Share Transfer Register of the Company shall remain closed from 14th September, 2019 to 17th September, 2019 (both days inclusive) for the purpose of equity dividend for the year ended 31st March, 2019.
6. The dividend on equity shares as recommended by the Board of Directors, if approved at the Annual General Meeting will be paid to the members, whose names shall appear in Register of Members as on 13th September, 2019 or Register of Beneficial Owners, maintained by the Depositories at the close of 13th September, 2019.
7. Pursuant to Section 124(5) of the Companies Act, 2013, unclaimed dividend upto the financial year 2010-11 has been transferred to Investor Education and Protection Fund. Further, pursuant to Section 124(6) of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has transferred all the shares (in respect of which dividend remained unpaid/unclaimed for a period of seven consecutive years) to the demat account of IEPF Authority as per applicable Rules. Details of shares transferred to the IEPF Authority are available on the Company's website and can be accessed through the link: <http://www.owmnaahar.com/spinning/pdf/uncnsm1-2.pdf>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link <http://www.iepf.gov.in/IEPFA/refund.html>. Shareholders may note that the equity shares as well as unclaimed dividend transferred to the IEPF Authority can be reclaimed by making an application to the IEPF Authority in e-Form IEPF-5 as per procedure provided under Rule 7 of the IEPF Rules. The Shareholders can also view the procedure at [www.iepf.gov.in](http://www.iepf.gov.in).
8. In terms of the provisions of Section 152 of the Companies Act, 2013, Mr. Dinesh Gogna and Mr. Kamal Oswal Directors, retire by rotation at this Meeting and offered themselves for re-appointment. The Nomination and Remuneration Committee and the Board of Directors of the Company re-recommend their respective re-appointments.
9. **SEBI vide its Gazetted notification dated June 08, 2018 amended the Regulation 40 (1) (b) of SEBI**

**(LODR) Regulations, 2015 whereby it has been provided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in Dematerialized form with the Depository.**

**In view of the above, members are hereby informed that effective 1st April, 2019 requests for effecting transfer of securities in physical form shall not be processed unless the securities are held in the dematerialized form with a depository. Hence all members who are holding equity shares in physical form are requested to go in for dematerialization of securities at the earliest.**

10. The Company provides the facility of paying dividend through Electronics Clearing System (ECS). The members desirous of availing the facility of electronic credit of dividend are requested to ensure that their correct bank details alongwith 9 digit MICR code of their Bank is updated in the records of the Depository Participant (DP). Members, who hold the shares in physical form, should contact the Registrar & Transfer Agent or the Company in this regard. In order to prevent fraudulent encashment of dividend warrants, members are requested to provide their correct bank account details to their DP in case of electronic holding and to the Registrar & Transfer Agent or the Company in case of physical holding.
11. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed (for five consecutive years commencing from the conclusion of 37th Annual General Meeting till the conclusion of 42nd Annual General Meeting) in the Annual General Meeting, held on September 26, 2017.
12. Since the Company's shares are in compulsory demat trading, to ensure better service and elimination of risk of holding shares in physical form, we request shareholders holding shares in physical form to dematerialize their shares at the earliest.
13. The documents referred to in Explanatory Statement are open for inspection at the Registered Office of the Company on any working day (except Saturday and Holiday) between 10:00 A.M. to 12:00 Noon upto the date of Annual General Meeting.
14. With a view to using natural resources responsibly, we



- request shareholders to update their e-mail address with their Depository Participants to enable the Company to send communications electronically.
15. Electronic copy of the Annual Report for the year 2018-19 is being sent to all the members whose email Ids are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
16. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
17. Members seeking any information with regard to Annual Accounts at the time of meeting are requested to send their queries to the Company at least 7 days before the date of meeting so as to enable the management to keep the relevant information ready.
18. To avail the facility of nomination, Members are requested to send us duly filled and signed Nomination Form (Form No. SH-13).
19. The information required to be provided under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding the Directors who are proposed to be re-appointed, is given hereto and form part of the Notice.
- 20. The Securities Exchange and Board of India (SEBI) have mandated the submission of the Permanent Account Number (PAN) and Bank Details by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their Depository Participant(s) before 13th September, 2019. Members holding shares in physical form are requested to submit their self attested copy of PAN card bank details alongwith Original cancelled cheque leaf/attested bank passbook showing name of Account holder and address, to the company at its Registered Office at 373, Industrial Area- A, Ludhiana- 141003 or to the Registrar and Share Transfer Agents, M/s. Alankit Assignments Limited, Unit: Nahar Spinning Mills Limited, Alankit Heights, 3E/7, Jhandewalan Extension, New Delhi-110055.**
21. The Register under Section 189 (4) of the Companies Act, 2013 shall be produced at the commencement of the Meeting and shall remain open and accessible during the continuance of the Meeting.
22. In compliance with provision of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company is providing facility to members for voting by electronic means and the business contained in this Notice shall be transacted through such voting. For this purpose, the Company has engaged the services of M/s. Central Depositories Services (India) Ltd. (CDSL) for providing e-voting facility to enable the shareholders to cast their votes electronically.
23. Notice of the 39th Annual General Meeting and the Annual Report for the financial year 2018-19 will also be available on the Company's website i.e. [www.ownahar.com](http://www.ownahar.com). The above said Notice will also be available on the website of CDSL i.e. [www.cdslindia.com](http://www.cdslindia.com).
24. The facility for e-voting via ballot or polling paper shall also be made available at the meeting and the members attending the meeting who have not already casted their vote by remote e-voting shall be able to exercise their right at the meeting.
25. The members who have casted their vote by remote e-voting prior to meeting may also attend the meeting but shall not be entitled to cast their vote again.
- 26. Instructions for shareholders voting through electronic mode are as under:**
- (i) The voting period begins on 27th September, 2019 (9:00 a.m.) and ends on 29th September, 2019 (5:00 p.m.). 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 23rd September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting



- website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" tab.
  - (v) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (vi) Next enter the Image Verification as displayed and Click on Login.
  - (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (viii) If you are a first time user follow the steps given below:

	<b>For members holding shares in demat form and physical form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company / Depository Participant are requested to use the the first two letters of their name and the 8 digits of the sequence number in the PAN Field. Sequence number is printed on Address Slip as provided with Annual Report.</li> <li>• In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as of Birth recorded in your demat account or in the company records in order to login.</p> <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 (5).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein

they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN 190812013 for the relevant NAHAR SPINNING MILLS LIMITED on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) 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 users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) **Note for Non-Individual Shareholders and Custodian**
  - a) 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.
  - b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - c) 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.
- d) The list of accounts 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.
- e) 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.
- (xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date 23rd September, 2019 may follow the same instructions as mentioned above for e-Voting.
- (xxii) 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). The helpdesk can also be contacted at 1800-200-5533.
- (xxiii) Name, designation, address, e-mail ID and phone number of the person responsible to address the grievances connected with the e-voting:  
Mr. Brij Sharma,  
Company Secretary and Compliance Officer  
373, Industrial Area-A,  
Ludhiana -141003(India)  
CIN: L17115PB1980PLC004341  
E-mail: [secnsm@owmnaahar.com](mailto:secnsm@owmnaahar.com)

**Other instructions:**

27. Voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on cutoff date.
28. Mr. P.S. Bathla, Practicing Company Secretary (Membership No. FCS 4391), will act as a Scrutinizer to the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process).
29. The Scrutinizer shall immediately after the conclusion of Annual General Meeting first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes

cast in the favor or against, if any, forthwith to the Chairman of the Company.

30. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.owmnaahar.com](http://www.owmnaahar.com) and on the website of CDSL i.e. [www.cdslindia.com](http://www.cdslindia.com). The results shall simultaneously be communicated to the Stock Exchanges.
31. Subject to the receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of the 39th Annual General Meeting i.e. 30th September, 2019.
32. A person, who is not a Member as on the cutoff date i.e. 23rd September, 2019 should treat this Notice for information purposes only.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

The following statement sets out all material facts relating to the Special Business mentioned under Item No. 5 to 7 of the accompanying Notice:

**ITEM NO. 5**

As per the provisions of Companies (Cost Records and Audit) Amendment Rules, 2014 notified by MCA vide its notification dated 31st December, 2014, Company's activities fall within the purview of Cost Audit requirement. Accordingly the Board, at its meeting held on 30th May, 2019, on the recommendation of Audit Committee, approved the appointment of M/s Ramanath Iyer & Co., Cost Accountants (Firm Registration No. 000019) at a remuneration of Rs. 1.75 /- Lakhs (Rupees One Lakh Seventy Five Thousand only) plus applicable taxes and Reimbursement of Out of pocket expenses incurred, for conducting the Cost Audit of the Cost records of the Company for the financial year 2019-20.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the shareholders of the Company.

Accordingly consent and approval of the shareholders is being sought for passing an Ordinary Resolution as set out the Item No. 5 of the Notice for ratification of remuneration payable to M/s. Ramanath Iyer & Co., Cost Accountants (Firm Registration No. 000019) for financial year 2019-20.

None of the Directors of the Company, the Key Managerial Personnel of the Company or their relatives are, in any way concerned or interested financially or otherwise in the aforesaid resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for your approval.



**ITEM NO. 6**

The Shareholders vide their Special Resolution dated 30th September, 2016 approved the re-appointment of Mr. Dinesh Oswal as Managing Director of the Company for a period of five years w.e.f. 1st January, 2017 at remuneration specified in the Resolution.

However, due to expected inadequacy of profits, the Company made an application to the Central Government, Ministry of Corporate Affairs under Section 197 of the Companies Act, 2013 seeking approval for payment of remuneration to Mr. Dinesh Oswal as approved by the Shareholders. The Central Government, Ministry of Corporate Affairs, vide their letter SRN G41287038/2017-CL.VII dated 26th December, 2017 gave the approval for payment of remuneration as mentioned in the letter, to Mr. Dinesh Oswal, Managing Director for three financial years commencing from 1st January, 2017 upto 31st December, 2019. The total remuneration as mentioned in the Central Government's letter dated 26th December, 2017 was subject to the approval of the company in General Meeting as required by Section 197 (1) of the Companies Act, 2013. Accordingly, the shareholders in their Meeting held on 28th September, 2018 approved the payment of remuneration to Mr. Dinesh Oswal, Managing Director for three financial years commencing from 1st January, 2017 upto 31st December, 2019 as mentioned in the Central Government's Letter.

However, in the current year, slackness in the global demand coupled with high cotton prices and changing Global textile Scenario, because of Trade Dispute between Countries has severally affected Textile Sector. It is expected that Company's profitability will not be sufficient to pay the remuneration to the Managing Director as per the shareholder's approval vide their Special Resolution dated 30th September, 2016.

Pursuant to the provisions of Section 197 read with Schedule V of the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017 which has become effective since September 12, 2018, in case of no profits or inadequate profits as calculated under section 198 of the Act, the Company may pay remuneration to the managerial person in excess of the ceiling limits as specified in the Schedule V subject to the approval of shareholders by way of Special resolution.

Having regard to above, the Board on the recommendation of Nomination and Remuneration Committee hereby seeks your approval for payment of Remuneration to Mr. Dinesh Oswal as already approved by Shareholders on 30th September, 2016 vide Special Resolution and also mentioned in the proposed Resolution, as 'Minimum Remuneration' for two years commencing from January 1, 2020 till the expiry of his current term i.e. upto December 31, 2021.

Mr. Dinesh Oswal may be deemed to be concerned or interested in the aforesaid resolution. Mr. Jawahar Lal Oswal (Chairman) and Mr. Kamal Oswal (Director), being relatives of Mr. Dinesh Oswal may be deemed to be concerned or interested in the said resolution.

None of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution.

The Resolution as given in the notice may also be treated as an abstract of terms of Contract of Appointment under the provisions of Section 190 of the Companies Act, 2013.

The draft of revised appointment agreement containing the details of revised salary, to be entered into between the Company and Sh. Dinesh Oswal, is available for inspection at the Registered Office of the Company

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for your approval.

**THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE COMPANIES ACT, 2013**

**I. GENERAL INFORMATION:**

**(1) Nature of Industry**

The Company is mainly engaged in the manufacturing of Yarn and Garments under the main head "Textiles".

**(2) Date or expected date of commencement of commercial production**

The Company is in operation Commercially since 16th December, 1980.

**(3) In case of new companies expected date of commencement of activities as per project approved by the financial institution appearing in the prospectus.**

Not Applicable, as the company is an existing Company and operating its Spinning/Garment Plants successfully.

**(4) Financial performance based on the given indicators**

(Rs. In Crores)

	FY 2018-19	FY 2017-18
Gross Revenue	2317.85	2142.19
Profit before Tax	104.10	(46.30)
Profit for the period	63.37	(31.20)

**(5) Foreign investments or Collaborators, if any**

The Company has not entered into any foreign collaboration and no foreign direct capital investment has been made in the Company.

**II. INFORMATION ABOUT THE APPOINTEE:**

**(1) Background details**

Sh. Dinesh Oswal is 54 years of age. He is commerce graduate having more than 34 years of business experience in textile industry and financial expertise. He is also a Managing Director of M/s. Nahar Capital and Financial Services Limited.

**(2) Past Remuneration (last two years)**

(Amount in Rs.)

Particulars	Financial year (2018-19)	Financial Year (2017-18)
Salary	63387900.00	58371178.00
Perquisite and Allowances	-----	-----
Commission/bonus	-----	-----
Retirement Benefits	-----	-----
Arrears of last year	-----	10633250.00
<b>Total</b>	<b>63387900.00</b>	<b>69004428.00</b>

Note: Mr. Dinesh Oswal was paid remuneration during the year 2017-18 and 2018-19 as approved by Central Government vide their letter no. SRN G41287038/2017-CL.VII dated 26th December, 2017.

**(3) Recognition or Awards**

Under the able and dynamic leadership of Sh. Dinesh Oswal, Managing Director, Company has been awarded several export Awards and trophies by TEXPROCIL (The Cotton Textiles Export Promotion Council), AEPC (Apparel Export Promotion Council) and Government of India. The latest award is Gold Trophy for the year 2017-18, which has been awarded to the Company for achieving Highest exports of Yarn (50 & Below) under Category III.

**(4) Job profile and his suitability**

Sh. Dinesh Oswal was reappointed as Managing Director of the company by the members for a period of five years w.e.f. 1st January, 2017, vide their resolution dated 30th September, 2016. He is overall responsible for operations of the Company under the supervision of the Board of Directors. He is having more than 34 years of experience in Textile Industry. Sh. Dinesh Oswal joined the Company as Director, in the year 1985. Under his able and dynamic leadership of 34 years, Company has become one of the largest integrated Spinning Mills of the Country. The Company's Operating income which was 153 million in the year 1985 has risen to Rs. 23,178.50 Million in the year 2019. He has played a pivotal role in charting the Company's strategy for expanding its operations in the Global as well as Domestic Markets. Having regard to his textile knowledge, business experience and leadership to the executive team, he is the best suited person for the responsibilities entrusted to him by the Board of Directors.

**(5) Remuneration Proposed**

Remuneration proposed is already mentioned in the resolution at item No. 6 as Minimum Remuneration even in the case of inadequacy of profits.

**(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)**

Considering the size of the Company, the profile of Mr. Dinesh Oswal, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to him commensurate with the remuneration packages paid to persons appointed at similar level in other companies.

**(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any**

Mr. Dinesh Oswal belongs to promoter category. He is also a relative to Mr. J.L. Oswal, Chairman and Mr.

Kamal Oswal, Directors of the Company. Besides the remuneration proposed, Mr. Dinesh Oswal, does not have any other pecuniary relationship with the Company or with the Managerial Personnel.

**III. OTHER INFORMATION:****(1) Reasons for loss or inadequate profits**

The Textile Industry is passing through a very difficult period. Slackness in the global demand coupled with high cotton prices are effecting the fortunes of the Textile Industry. Trade dispute between U.S. and China, has further aggravated the problem for the Textile Industry. Because of the prevailing textile scenario spinning mills have already cut down their production in the past few months. The future is still not clear. Your management is looking at the future with optimization and expects that situation will improve for better in the coming periods.

**(2) Steps taken or proposed to be taken for improvement**

With the improvement in Global Textile Scenario, the demand for Company's products is likely to pick up. Moreover, the Government is also taking remedial steps to improve the economy so that the Industry can meet the Challenges ahead. The management has also taken steps to further optimize the available resources of the Company.

**(3) Expected increase in the productivity and profits in the measurable terms.**

In the prevailing textile Scenario, it is not feasible to predict with accuracy the expected increase in the productivity and profits in the measurable term. However with the improvement in the economic activity at the Global and Domestic level, your Management expects that the productivity and profits will improve in coming periods.

**IV. DISCLOSURES:**

The Company has provided all the disclosures in Corporate Governance Report as required under Section II of Part II of Schedule V of the Companies Act, 2013.

**ITEM NO. 7**

Mr. Sambhav Oswal joined the Company as Manager W.e.f. 1st August, 2015. He is relative under Section 2(77) of the Companies Act, 2013 as he is a son of Mr. Dinesh Oswal, Managing Director of the Company. He is 26 years old of age and has done his graduation in Business Administration (Finance and Strategy) from University of Southern California (USA).

The Board on the recommendation of Nomination and Remuneration Committee promoted him as Vice President (Corporate Affairs) of the Company and his





salary was fixed at a basic Pay of Rs. 1,50,000/- plus perks and benefits as per Company's Rules/Policy w.e.f. 1st July, 2017.

Having regard to his leadership qualities, performance, responsibilities shouldered and as well as prevalent industry benchmarks, the Nomination and Remuneration Committee recommended increase in his monthly salary in a pay scale of Rs. 5,00,000 -1,00,000 -10,00,000 plus perks and benefits as per Company's Rules/Policy, w.e.f. 1st October, 2019, as mentioned in the resolution set out at item no. 7 of the accompanying Notice.

The Audit Committee has also approved the proposal for increase in remuneration of Mr. Sambhav Oswal. The Board in its meeting held on 30th May, 2019, approved the proposal of Nomination and Remuneration Committee, subject to approval of the Shareholders under the provisions of section 188(1)(f) of the Companies Act, 2013.

Since, the proposed salary of Mr. Sambhav Oswal, holding place of profit, will stand increased to more than two and a half lakh rupees per month, the limit as specified in Section 188(1)(f) of the Companies Act, 2013, approval of shareholder is being sought.

Mr. Dinesh Oswal (Managing Director), Mr. Jawahar Lal Oswal (Chairman) and Mr. Kamal Oswal (Director), being relatives of Mr. Sambhav Oswal may be deemed to be concerned or interested in the said resolution.

None of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for your approval.

**Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Director seeking re-appointment:**

As required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of Directors who are proposed to be appointed/re-appointed are given below:

1.	<b>Name</b>	<b>Mr. Dinesh Gogna</b>
	<b>Age</b>	66 Years
	<b>Qualification</b>	B.A. LL.B.
	<b>Expertise</b>	Having more than 42 years experience in Corporate Finance and Taxation

**Listed Companies (other than Nahar Spinning Mills Limited) in which Mr. Dinesh Gogna holds**

**Directorship of Board, Chairmanship and Membership of Board Committees as on 31st March, 2019:**

**Directorship of Board:**

Sr. No.	NAME OF THE COMPANY	STATUS
1	Monte Carlo Fashions Limited	Director
2	Nahar Capital and Financial Services limited	Director
3	Nahar Poly Films Limited	Director
4	Nahar Industrial Enterprises Limited	Director

**Chairmanship of Board Committees:**

Sr. No.	NAME OF THE COMPANY	STATUS
1	Monte Carlo Fashions Limited	Stakeholder Relationship
2	Nahar Industrial Enterprises Limited	Stakeholder Relationship

**Membership of Board Committees:**

Sr. No.	NAME OF THE COMPANY	STATUS
1	Monte Carlo Fashions Limited	Audit, Nomination and Remuneration
2	Nahar Industrial Enterprises Limited	Audit
3	Nahar Poly Films Limited	Audit

**Shareholding in the Company: NIL**

**Disclosure of relationship between Directors inter se: NIL**

2.	<b>Name</b>	<b>Mr. Kamal Oswal</b>
	<b>Age:</b>	57 Years
	<b>Qualification:</b>	B.Com
	<b>Expertise:</b>	Having more than 37 years experience in Corporate Affairs and Marketing.

**Listed Companies (other than Nahar Spinning Mills Limited) in which Mr. Kamal Oswal holds Directorship of Board, Chairmanship and Membership of Board Committees as on 31st March, 2019:**

**Directorship of Board:**

Sr. No.	NAME OF THE COMPANY	STATUS
1	Nahar Capital and Financial Services Limited	Director
2	Nahar Poly Films Limited	Director
3	Nahar Industrial Enterprises Limited	Director
4	Oswal Leasing Limited	Director

**Chairmanship of Board Committees: NIL**

**Membership of Board Committees:**

Sr. No.	NAME OF THE COMPANY	COMMITTEE
1	Nahar Industrial Enterprises Limited	Stakeholder Relationship

**Shareholding in the Company: 24750 Equity shares of Rs. 5/ each**

**Disclosure of relationship between Directors inter-se: Mr. Kamal Oswal is son of Mr. Jawahar Lal Oswal and brother of Mr. Dinesh Oswal**

BY ORDER OF THE BOARD

DATE: 13<sup>th</sup> AUGUST, 2019

BRIJ SHARMA  
(COMPANY SECRETARY)

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