

Regd. Office & Corporate Office : 373, Industrial Area-A, Ludhiana - 141 003 (INDIA)
Phones : 91-161-2600701 to 705, 2606977 to 980, Fax : 91-161-2222942, 2601956
E-mail : secnsm@owmnahar.com, Web Site : www.owmnahar.com
CIN No. : L17115PB1980PLC004341 GST No. : 03AAACN5710D1Z6

NSML/SD/2021/

August 28, 2021

1. The Manager,
The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1, G-Block
Bandra-Kurla Complex, Bandra (E)
MUMBAI – 400 051
2. The General Manager,
The BSE Limited
25th Floor, P.J. Tower,
Dalal Street, Mumbai
MUMBAI – 400 001

SUB: NOTICE OF ANNUAL GENERAL MEETING, E-VOTING AND BOOK CLOSURE

Dear Sir,

Pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are sending herewith Notice of 41st Annual General Meeting of the Company scheduled to be held on **Wednesday, the 29th day of September, 2021 at 10:00 A.M. through Video Conferencing/Other Audio Visual Means (OAVM)** in compliance with Section 96 of the Companies Act, 2013 read with MCA Circular No. 20/2020 dated 5th May, 2020 and Circular No. 02/2021 dated 13th January, 2021.

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing the facility of remote e-voting and e-voting during the AGM to all the shareholders for all the items of business contained in the Notice convening the 41st AGM. The remote e-voting period will begin on 26th September, 2021 (9:00 am) and end on 28th September, 2021 (5:00 pm). Accordingly, to determine the shareholders eligible to cast their votes electronically, the Company has fixed Wednesday, 22nd September, 2021 as the cut-off date. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting facility to the shareholders.

The details such as manner of (i) registering / updating email addresses, (ii) casting vote through e-voting and (iii) attending the AGM through VCI OAVM has been set out in the Notice of the AGM.



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Further, pursuant to the requirements of Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the Register of Members and Share Transfer Books of the Company will remain closed from 18th September, 2021 to 21st September, 2021 (both days inclusive) for the purpose of payment of dividend on the Equity Shares for the year 2020-2021.

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 appear in Register of members as on 17th September, 2021 or Register of beneficial owners, maintained by the Depositories at the close of 17th September, 2021.

This is for the information of the general public as well as members of the Exchange.

Thanking you,

Yours faithfully,

For NAHAR SPINNING MILLS LIMITED


(BRIJ SHARMA)

COMPANY SECRETARY



**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE **41ST ANNUAL GENERAL MEETING (AGM)** of the members of **NAHAR SPINNING MILLS LIMITED ('the Company')** will be held on **Wednesday, the 29th day of September, 2021 at 10.00 A.M** through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the businesses as mentioned below. The venue of the meeting shall be deemed to be Registered Office of the Company at 373, Industrial Area 'A', Ludhiana, Punjab – 141003.

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, 2021 and the Reports of the Board of Directors and Auditors thereon.

ITEM NO: 2 - DECLARATION OF DIVIDEND

To declare dividend of Rs. 1.50 per equity share of Rs. 5/- each for the year ended 31st March, 2021.

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 in terms of Section 152(6) of the Companies Act, 2013 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 in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:**ITEM NO: 5 - REAPPOINTMENT OF MR. DINESH OSWAL AS MANAGING DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and rules framed thereunder and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) & Articles of Association and based on the recommendation of Nomination and Remuneration

committee and approval of the Board of Directors, consent and approval of the Members be and is hereby accorded for the re-appointment of Mr. Dinesh Oswal (DIN : 00607290) as Managing Director of the Company, for a period of five years w.e.f. 1st January, 2022 to 31st December, 2026 on the terms and conditions including the payment of remuneration and perquisites as set out below:

Salary (Scale) : Rs.70,00,000.00-5,00,000.00-90,00,000.00/- per month.

Commission : 2% of the Net Profit.

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

i) Housing

Mr. Dinesh Oswal shall be entitled to House Rent Allowance @50% of the salary.

EXPLANATION

i) 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.

ii) **Medical Reimbursement:** Reimbursement of expenses incurred including Insurance premium paid for the medical policy for self and family subject to a ceiling of one month's salary in a year or Five months' salary over a period of Five years.

iii) **Leave Travel Concession:** Leave travel concession for a self and family twice in a year incurred by him.

iv) **Club Fees:** Fees of the club subject to a maximum of five clubs including admission fees and life membership fee.

v) **Personal Accident Insurance:** Personal Accident Insurance of an amount, the annual premium of which shall not exceed Rs. 20000/-.

vi) **Provident Fund and superannuation fund:** Contribution to Provident Fund, Superannuation Fund or Annuity fund in accordance with the rules specified by the Company.

vii) **Gratuity:** Gratuity paid shall not exceed half month's salary for each completed year of service subject to maximum limit as per Payment of Gratuity act 1972.

viii) **Leave Encashment:** Encashment of the leave at the end of the tenure, as per rules of the Company.

ix) **Car and Telephone:** Free use of Company's car with Driver for official work, mobile expenses and telephone at residence.

NOTE: For the purpose of perquisites stated herein above, family means the spouse, the dependent



children, dependent parents of the appointee."

"RESOLVED FURTHER THAT The Board of Director of the company, subject to the recommendation of Nomination and Remuneration committee, be and are hereby authorised to alter and vary the terms and conditions of appointment and /or remuneration of Mr. Dinesh Oswal, as the Board of Directors may deem appropriate during his tenure as Managing Director of the Company, provided such revision in remuneration does not exceed limits approved by the members under Section 197, read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force)."

"RESOLVED FURTHER THAT wherein any financial year, the Company has no profits or its profits are inadequate, the Company may pay remuneration by way of salary, commission and perquisites as above to Mr. Dinesh Oswal, as Minimum Remuneration for a period not exceeding 3 (three) years or such other period as may be permitted subject to the requisite approvals, if any."

"RESOLVED FURTHER THAT the Board of Directors of the Company, 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 the above resolution."

ITEM NO: 6 - 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 2021-22 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 is hereby authorised to do all such acts, deeds and 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 MS. TANVI OSWAL

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 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), and on the recommendation of Nomination and Remuneration committee and as approved by the Board of Directors, consent and approval of the members of the Company, be and is hereby accorded for the increase/revision in remuneration of Ms. Tanvi Oswal, Vice President of the Company w.e.f. 1st October, 2021, as set out 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:** Gratuity paid shall not exceed half month's salary for each completed year of service subject to maximum limit as per Payment of Gratuity act 1972.
- 8. Reimbursement:** Reimbursement of actual traveling, boarding and lodging expenses and other amenities as may be incurred by her from time to time, in connection with the Company's business."
- 9. Medical Reimbursement:** Reimbursement of expenses incurred including Insurance premium paid for the medical policy for self subject to a ceiling of one month's salary in a year.

"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 Ms. Tanvi 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 and things, as may be deemed necessary, proper or expedient to give effect to the above resolution."

**ITEM NO. 8 – TO APPROVE THE PAYMENT TO MR. JAWAHAR LAL OSWAL, NON-EXECUTIVE DIRECTOR OF THE COMPANY**

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

“RESOLVED THAT pursuant to the provisions of Section 197 and 198 of the Companies Act, 2013 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors of the Company, consent and approval of the members of the Company, be and is hereby accorded for the payment @0.35% of Export Sales of the Company, to Mr. Jawahar Lal Oswal, Non-Executive Director/Chairman of the Company (DIN: 00463866) w.e.f. 1st October, 2021 for a period of three years, in addition to sitting fees for attending the meetings of the Board of Directors as approved by the Board of Directors for Non-Executive Directors of the Company.”

“RESOLVED FURTHER THAT the above amount will be paid to Mr. Jawahar Lal Oswal even if it exceeds one percent of the net profits of the Company in accordance with Section 197 and 198 of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof.”

“RESOLVED FURTHER THAT wherein any financial year, the Company has no profits or its profits are inadequate, the Company may pay Mr. Jawahar Lal Oswal, the said amount as Minimum Remuneration for a period not exceeding 3 (three) years or such other period as may be statutorily permitted subject to the requisite approvals, if any.”

“RESOLVED FURTHER THAT pursuant to Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent and approval of the members of the Company, be and is hereby accorded for above payment to Mr. Jawahar Lal Oswal, Non-Executive Director/Chairman of the Company, in the eventuality of it exceeding fifty percent of the total annual remuneration payable to all Non-Executive Directors, for the financial year 2021-22.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including the Nomination and Remuneration Committee) be and are hereby authorised to do all such acts, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to

the above resolution.”

ITEM NO. 9 – TO APPROVE CONTINUATION OF HOLDING OF OFFICE AS INDEPENDENT DIRECTOR BY DR. VIJAY ASDHIR (DIN: 06671174), ON ATTAINING THE AGE OF 75 YEARS

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

“RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 read with the provisions of Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent and approval of the Members be and is hereby accorded for continuation of holding of office as Independent Director of the Company by Dr. Vijay Asdhir (DIN: 06671174), who will attain the age of 75 years on 27th July, 2022, upto the expiry of his present term of office up to September 25, 2022.”

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

ITEM NO. 10 – TO APPROVE CONTINUATION OF HOLDING OF OFFICE AS INDEPENDENT DIRECTOR BY DR. AMRIK SINGH SOHI (DIN: 03575022), ON ATTAINING THE AGE OF 75 YEARS

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

“RESOLVED THAT pursuant to the provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 read with the provisions of Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent and approval of the Members be and is hereby accorded for continuation of holding of office as Independent Director of the Company by Dr. Amrik Singh Sohi (DIN: 03575022), who will attain the age of 75 years on 1st August, 2022, upto the expiry of his present term of office up to September 25, 2022.”

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

BY ORDER OF THE BOARD

DATE: 2ND AUGUST, 2021

**BRIJ SHARMA
(COMPANY SECRETARY)**

**REGISTERED OFFICE:**

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

NOTES:

1. In view of the situation arising due to COVID-19 global pandemic, social distancing is a norm to be followed. Accordingly, the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 and Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 Dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of members at a common venue. Thus, in compliance with the said Circulars, the 41st Annual General Meeting (AGM) of the Company will be held through video conferencing (VC) or other audio visual means (OAVM). Members can attend and participate in the AGM through VC/OAVM. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 25.
2. The venue of the Meeting shall be deemed to be the registered office of the Company.
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. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 113 of the Companies Act, 2013, body corporates are entitled to appoint Authorised Representatives to attend the AGM through VC/OAVM and cast their votes through e-voting.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020 and SEBI Circular dated May 12, 2020, the Notice calling the AGM alongwith Annual Report for the year 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that Notice and Annual Report 2020-21 has been uploaded on the website of the Company at www.owmnaahar.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The Register of Members and Share Transfer Register of the Company shall remain closed from 18th September, 2021 to 21st September, 2021 (both days inclusive) for the purpose of equity dividend for the year ended 31st March, 2021.
8. 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 subject to deduction of tax at source, whose names shall appear in Register of Members as on 17th September, 2021 or Register of Beneficial Owners, maintained by the Depositories at the close of 17th September, 2021.
9. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
10. 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 have recommend their respective reappointments.
11. The relevant information under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, regarding



the Directors who are proposed to be appointed/re-appointed, is given hereto and form part of the Notice.

12. Pursuant to Section 124(5) of the Companies Act, 2013, unclaimed dividend upto the financial year 2012-13 has been transferred to Investor Education and Protection Fund. Further, unpaid dividend for the year 2013-14 is to be transferred to Investor Education and Protection Fund in November, 2021. Shareholders who have not encashed their dividend warrants relating to said period are requested to claim the amount from the Company at the earliest.
13. 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 unclaimed or unpaid for a period of seven consecutive years or more to the demat account of IEPF Authority as per applicable Rules. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: <http://www.owmnaahar.com/spinning/transfer-of-equity-shares-to-IEPF.php>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.
14. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: <http://iepf.gov.in/IEPF/refund.html> or contact the Company for lodging claim for refund of shares and / or dividend from the IEPF Authority.
15. As per Regulation 40 of SEBI (LODR) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form except in case of request received for transmission or transposition of securities.

In view of the above and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent: M/s. Alankit Assignments Limited for assistance in this regard.
16. 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.
17. To avail the facility of nomination, Members are requested to send us duly filled and signed Nomination Form (Form No. SH-13).
18. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent: M/s. Alankit Assignments Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
19. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
20. The Securities Exchange and Board of India (SEBI) has 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). 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 House, 4E/2, Jhandewalan Extension, New Delhi-110055.
21. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection in electronic mode during the AGM. All other documents referred to in the Notice will be available for inspection in electronic mode without



any fee by the members from the date of circulation of this Notice up to the date of AGM i.e. September 29, 2021. Members seeking to inspect such documents can send an email to secnsm@owmnahar.com.

22. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

23. The members who have voted through remote e-voting will be eligible to attend the AGM but they will not be eligible to vote at the AGM.

24. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL / MOBILE NO. ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

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

25. INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM MODE ARE AS UNDER:

- (i) The voting period begins on 26th September, 2021 (9:00 a.m.) and ends on 28th September,

2021 (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 22nd September, 2021, 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 time of meeting.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:



| Type of Shareholders | Login Method | | |
|---|---|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the E voting menu, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Provider i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/Easi Registration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers. | | <p>Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <ol style="list-style-type: none"> 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting |
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e- | Individual Shareholders (holding securities in demat mode) login through their Depository Participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

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

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



| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

- (v) Login method of e-Voting and joining virtual AGM for **shareholders other than individual shareholders holding in demat form & physical shareholders.**
- The shareholders should log on to the e-voting website www.evotingindia.com.
 - Click on "Shareholders" module.
 - Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 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 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:

| | For Members holding shares in Demat Form and Physical Form |
|---|--|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the the first two letters of their name and the 8 digits of the sequence number in the PAN Field. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (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 for NAHAR SPINNING MILLS LIMITED i.e. 210826031 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) Facility for Non-Individual Shareholders and Custodian remote e-voting**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should



be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at bathla7@gmail.com and to the Company at secnsm@owmnahar.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(xx) 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 22nd September, 2021 may follow the same instructions as mentioned above for e-Voting.

(xxi) If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you may write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 022-23058542/43.

(xxii) 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@owmnahar.com

26. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM AREAS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secnsm@owmnahar.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secnsm@owmnahar.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred



from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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. The Company has appointed Mr. P.S. Bathla, Practising Company Secretary (Membership No. FCS 4391), to act as the Scrutinizer to the e-voting process i.e. votes casted during the AGM and votes casted through remote e-voting, in a fair and transparent manner.
29. The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM.
30. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.owmnahar.com and on the website of CDSL i.e. 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 41st Annual General Meeting i.e. 29th September, 2021.
32. A person, who is not a Member as on the cutoff date i.e. 22nd September, 2021 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 Item No. 10 of the accompanying Notice:

ITEM NO. 5

Mr. Dinesh Oswal was appointed as Managing Director of the Company w.e.f 1st January, 2017 for a period of 5 Years. His period of office shall expire on 31st December, 2021. Mr. Dinesh Oswal is 56 years of age. He is a Commerce graduate and has more than 36 years

business experience in Textile Industry and financial expertise and has been involved in the Operations of the Company since 1985. During his leadership, the Company has become one of the leading Integrated Textile Company. The Company has been awarded several Export Trophies by TEXPROCIL for Company's excellent export performance in Cotton / Processed Yarns. It would be in the interest of the company if he is reappointed as Managing Director of the Company under the category of the Key Managerial Personnel.

The Board, keeping in view the overall growth of the Company under his able and dynamic leadership and on the recommendation of Nomination and Remuneration Committee (subject to the approval of the shareholders) has decided to reappoint him as Managing Director for a further period of 5 years commencing from 1st January, 2022. Mr. Dinesh Oswal is eligible for re-appointment as Managing Director and his remuneration and perquisites as set out in the resolution are in accordance with the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

Wherein any financial year during his tenure as Managing Director, the Company has no profits or its profits are inadequate, the Company may pay the remuneration as set out in the resolution to Mr. Dinesh Oswal, as the minimum remuneration for a period not exceeding 3 (three) years or such other period as may be permitted subject to the requisite approvals, if any.

Listed Companies (other than Nahar Spinning Mills Limited) in which Mr. Dinesh Oswal holds Directorship of Board, Chairmanship and Membership of Board Committees as on 31st March, 2021:**Directorship of Board:**

| Sr. No. | NAME OF THE COMPANY | STATUS |
|---------|--|-------------------|
| 1 | Nahar Capital and Financial Services Limited | Managing Director |
| 2 | Nahar Poly Films Limited | Director |
| 3 | Nahar Industrial Enterprises Limited | Director |

Chairmanship of Board Committees:

| Sr. No. | NAME OF THE COMPANY | STATUS |
|---------|--|---|
| 1 | Nahar Capital and Financial Services Limited | CSR Committee Share Transfer Committee |
| 2 | Nahar Poly Films Limited | CSR Committee Share Transfer Committee |

Membership of Board Committees: Nil

Shareholding in the Company: He holds 123766 Equity Shares of Rs.5/- each

Disclosure of relationship between Directors inter-



se: Mr. Dinesh Oswal is related to Mr. Jawahar Lal Oswal (Chairman) and Mr. Kamal Oswal (Director). None of the other Directors are in any way related to Mr. Dinesh Oswal.

Mr. Dinesh Oswal may be deemed to be concerned or interested in the resolution. Further Mr. Jawahar Lal Oswal (Chairman), Mr. Kamal Oswal (Director), Mrs. Ritu Oswal and Ms. Tanvi Oswal being relatives of Mr. Dinesh Oswal may be deemed to be concerned or interested in the said resolution. None of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the said 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 terms and conditions of appointment as set out in the draft agreement to be entered into between the Company and Mr. Dinesh Oswal is available for inspection at the Registered Office of the Company.

The Board recommends the special resolution set out at Item no. 5 of the accompanying 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 Textile Industry.

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

The Company was incorporated on 16th December, 1980 and is working since then.

(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 operating its Spinning/Garment Plants successfully.

(4) Financial performance based on the given indicators

(Rs. In lakhs)

| | FY 2020-21 | FY 2019-20 |
|----------------------------------|------------|------------|
| Gross Revenue | 211883.24 | 208998.14 |
| Profit before Tax | 5353.49 | -7805.96 |
| Net Profit for the period | 4141.49 | -5305.96 |

(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

Mr. Dinesh Oswal is 56 years of age. He is commerce graduate and has more than 36 years of business experience in textile industry and financial matters. He is also a Managing Director of M/s. Nahar Capital and Financial Services Ltd.

(2) Past Remuneration (last two years)

(Amount in Rs.)

| Particulars | Financial year (2020-21) | Financial Year (2019-20) |
|----------------------------------|--------------------------|--------------------------|
| Salary | 88,184,517.00 | 78,646,500.00 |
| Perquisite and Allowances | 6108433.00 | 39600.00 |
| Commission/bonus | ----- | ----- |
| Retirement Benefits | ----- | ----- |
| Total | 94,292,950.00 | 78,686,100.00 |

Note: Mr. Dinesh Oswal was paid remuneration during the year 2020-21 and 2019-20 as approved by the Shareholders vide their Special Resolution dated 30th September, 2019.

(3) Recognition or Awards

Under the able & dynamic leadership of Sh. Dinesh Oswal, Managing Director, Company has been awarded several export Awards and trophies by the TEXPROCIL and Apparel Export Promotion Council and the Government of India. The latest award is Gold Trophy for the year 2019-20 by TEXPROCIL, which has been awarded to the Company for achieving Highest Export performance in Cotton Yarn and Processed Yarns.

(4) Job profile and his suitability

Mr. 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 36 years of experience in Textile Industry. Mr. Dinesh Oswal joined the Company as Director, in the year 1985. Under his able and dynamic leadership of 36 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. 21188 Million in the year 2021. 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**

The remuneration proposed has already been given in the Special Resolution at Item No. 5 of the accompanying Notice of Annual General Meeting. However in case of inadequacy of profits, the said remuneration will be paid as minimum remuneration.

(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 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:**• Reasons for loss or inadequate profits**

The Company has earned a Net Profit of Rs. 4141.49 Lakhs for the year ended 31st March, 2021. However, disrupted economic and financial activities due to the COVID-19 pandemic, the Company's profitability might get affected in the coming periods.

• Steps taken or proposed to be taken for improvement

All the countries over the world are taking necessary steps to control and eradicate the Covid-19. In order to mitigate the impact of COVID-19, the Reserve Bank of India and the Government of India are taking several measures for putting the economy of the country on the path of recovery as well as growth. Moreover, with the improvement in the Covid-19 situation and opening of Global economies, Textile Scenario is changing and the demand for Company's products is likely to pick up.

• Expected increase in the productivity and profits in the measurable terms.

Currently, 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 markets, your Management expects that the productivity and profits will improve in coming period. With the improvement in business cycle, the textile industry is expected to perform reasonably well in the coming period.

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. 6

As per the provisions of Companies (Cost Records and Audit) Rules, 2014 (as amended), Company's activities fall within the purview of Cost Audit requirement. Accordingly, the Board at its meeting held on August 2, 2021, 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 2021-22.

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 at Item No. 6 of the Notice for ratification of remuneration payable to M/s. Ramanath Iyer & Co., Cost Accountants (Firm Registration No. 000019) for financial year 2021-22.

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

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

ITEM NO. 7

Ms. Tanvi Oswal joined the Company as Deputy Executive w.e.f. 1st November, 2018. She is daughter of Mr. Dinesh Oswal, Managing Director of the Company & thus a relative under Section 2(77) of the Companies Act, 2013. She has done her graduation in Bachelor of Science with honours in Management from University of Nottingham (U.K.).

Seeing her performance, the Board on the recommendation of Nomination and Remuneration Committee promoted her as Manager of the Company w.e.f. 1st December, 2019 and her salary was fixed at a basic Pay of Rs. 1,40,000/- plus perks and benefits as per Company's Rules.

Having regard to her leadership qualities, performance, responsibilities shouldered and as well as prevalent



industry benchmarks, the Nomination and Remuneration Committee recommended her for promotion as Vice President & increased her 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, 2021, as mentioned in the resolution set out at item no. 7 of the accompanying Notice.

The Audit Committee and the Board in its meeting held on 2nd August, 2021 has also approved the said proposal (subject to approval of the Shareholders) under the provisions of section 188(1)(f) of the Companies Act, 2013.

The approval of shareholder is being sought as the proposed salary of Ms. Tanvi 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.

Mr. Dinesh Oswal (Managing Director), Mr. Jawahar Lal Oswal (Chairman) and Mr. Kamal Oswal (Director), Mrs. Ritu Oswal (Export Advisor) being relatives of Ms. Tanvi 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 accompanying Notice for your approval.

ITEM NO. 8

Mr. Jawahar Lal Oswal has been associated with the company as Director/Chairman since 1992. Since then, the Company has been utilizing his textiles knowledge, business experience and leadership without any consideration. Now, having regard to his contribution to the growth of the company especially on export front, the Nomination and Remuneration Committee / Board has decided, subject to the approval of Members at the ensuing Annual General Meeting, to give due recognition to his advice which is of professional nature, by paying him the amount @0.35 per cent of export sales for a period of 3 years w.e.f. 1st October, 2021. In addition to the said payment, Mr. Jawahar Lal Oswal shall continue to be entitled to payment of sitting fees for attending the meetings of the Board of Directors, as approved by the Board of Directors for Non-Executive Directors of the Company.

The above payment will be paid to Mr. Jawahar Lal Oswal even if it exceeds one percent of the Net Profits of the Company in accordance with Section 197 and 198 of the Companies Act, 2013.

Wherein any financial year during his directorship, the Company has no profits or its profits are inadequate, the Company may pay the above payment to Mr. Jawahar

Lal Oswal, as the minimum amount for a period not exceeding 3 (three) years as may be permitted subject to the requisite approvals, if any.

Further, pursuant to Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members of the Company, is also being sought for above payment to Mr. Jawahar Lal Oswal, Non-Executive Director/Chairman of the Company, in the eventuality of it exceeding fifty percent of the total annual remuneration payable to all Non-Executive Directors, for the financial year 2021-22.

Listed Companies (other than Nahar Spinning Mills Limited) in which Sh. Jawahar Lal Oswal holds Directorship of Board, Chairmanship and Membership of Board Committees as on 31st March, 2021:

Directorship of Board:

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

Chairmanship of Board Committees: Nil

Membership of Board Committees: Nil

Shareholding in the Company: He holds 90374 Equity Shares of Rs.5/- each

Disclosure of relationship between Directors inter-se: Mr. Jawahar Lal Oswal is the father of Mr. Kamal Oswal and Mr. Dinesh Oswal. Mr. Kamal Oswal and Mr. Dinesh Oswal are brothers.

Mr. Jawahar Lal Oswal may be deemed to be concerned or interested in the aforesaid resolution. Mr. Dinesh Oswal (Managing Director), Mr. Kamal Oswal (Director), Mrs. Ritu Oswal and Ms. Tanvi Oswal being relatives of Mr. Jawahar Lal Oswal may also 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 Special Resolution set out at Item No. 8 of the accompanying 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 Textile Industry.



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

The Company was incorporated on 16th December, 1980 and is working since then.

(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 operating its Spinning/Garment Plants successfully.

(4) Financial performance based on the given indicators

(Rs. In lakhs)

| | FY 2020-21 | FY 2019-20 |
|---------------------------|------------|------------|
| Gross Revenue | 211883.24 | 208998.14 |
| Profit before Tax | 5353.49 | -7805.96 |
| Net Profit for the period | 4141.49 | -5305.96 |

(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

Mr. Jawahar Lal Oswal is 76 years of age and holds a Bachelor's Degree in Commerce. He has more than 54 years of rich experience in the textile and woollen industry. Presently, he is serving as Chairman & Managing Director of M/s. Monte Carlo Fashions Ltd. and M/s. Oswal Woollen Mills Limited and also holds the position of Chairman on the Board of various other Group Companies.

(2) Past Remuneration (last two years)

(Amount in Rs.)

| Particulars | Financial year (2020-21) | Financial Year (2019-20) |
|---------------------------|--------------------------|--------------------------|
| Salary | ----- | ----- |
| Perquisite and Allowances | ----- | ----- |
| Commission/bonus | ----- | ----- |
| Retirement Benefits | ----- | ----- |
| Sitting Fees | 30,000.00 | 40,000.00 |
| Total | 30,000.00 | 40,000.00 |

(3) Recognition or Awards

Under the dynamic leadership of Mr. Jawahar Lal Oswal, the Company has been awarded several export Awards and trophies by the TEXPROCIL and Apparel Export Promotion Council and the Government of India. The latest awards are Gold Trophies by TEXPROCIL for the year 2019-20 for

achieving Highest Export performance in Cotton Yarn & Processed Yarns by TEXPROCIL.

(4) Job profile and his suitability

Mr. Jawahar Lal Oswal is a Non-Executive Director/Chairman of the Company. His association started with the Company as Director of the Company in the year 1992. He was appointed as a Chairman by the Board and is continuing as a Non-Executive Chairman as on date. As a Non-Executive Chairman, Mr. Jawahar Lal Oswal has been serving as mentor for the Board, Managing Director and Senior Management especially in devising export sales and promotion strategies. He provides feedback and counsel to the Managing Director and Senior Management on key issues. He has played a pivotal role in charting the Company's strategy for expanding its operations in the Global Markets. Having regard to his textile knowledge and business experience, he is the best suited person for the job.

(5) Payment Proposed

The amount proposed has already been given in the Special Resolution at Item No. 8 of the accompanying Notice of Annual General Meeting. However in case of inadequacy of profits, the said amount will be paid as minimum amount.

(6) Comparative payment 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. Jawahar Lal Oswal and the industry benchmarks, the payment proposed to be paid to him commensurate with the payment being made to persons at similar level in other companies.

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

Mr. Jawahar Lal Oswal belongs to promoter category. He is also a relative to Mr. Dinesh Oswal, Managing Director and Mr. Kamal Oswal, Directors of the Company. Besides the payment proposed and sitting fees for attending Board Meeting, Mr. Jawahar Lal Oswal, does not have any other pecuniary relationship with the Company or with the Managerial Personnel.

III. OTHER INFORMATION:

• **Reasons for loss or inadequate profits**

The Company has earned a Net Profit of Rs. 4141.49 Lakhs for the year ended 31st March, 2021. However, disrupted economic and financial activities due to the COVID-19 pandemic, the Company's profitability might get



affected in the coming periods.

- **Steps taken or proposed to be taken for improvement**

All the countries over the world are taking necessary steps to control and eradicate the Covid-19. In order to mitigate the impact of COVID-19, the Reserve Bank of India and the Government of India are taking several measures for putting the economy of the country on the path of recovery as well as growth. Moreover, with the improvement in the Covid-19 situation and opening of Global economies, Textile Scenario is changing and the demand for Company's products is likely to pick up.

- **Expected increase in the productivity and profits in the measurable terms.**

Currently, 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 period. With the improvement in business cycle, the textile industry is expected to perform reasonably well in the coming period.

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. 9

Dr. Vijay Asdhir was appointed as an Independent Director of the Company on 26.09.2017 to hold office for five consecutive years for a term up to September 25, 2022 under the applicable provisions of the Companies Act, 2013.

The provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, provides that no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect.

Dr. Vijay Asdhir is 74 years of age and M.Com, P.h.D. & having more than 38 years' experience in Teaching and Administration. He retired as Head of Commerce Department (Post Graduate), Government College, Ludhiana and as a Director from the Khalsa Institute of Management, Ludhiana. He is independent of the management and possesses appropriate skills, experience and knowledge.

Having regard to his vast expertise and knowledge, the Nomination and Remuneration Committee has recommended his continuation on the Board as an Independent Director. The Board is also of the opinion that his continued association would be of immense beneficial to the Company. So it is desirable and advisable to continue avail his services as an Independent Director.

Accordingly, the Resolution seeking your consent/ approval by way of Special Resolution, set out at Item No. 9 of the Notice, for continuation of holding of existing office by Dr. Vijay Asdhir as Independent Director of the Company even on attaining the age of 75 years, upto the expiry of his present term of office i.e. September 25, 2022, has been proposed for your approval.

Except Dr. Vijay Asdhir, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the Resolution.

Brief resume of Dr. Vijay Asdhir, nature of his expertise in specific functional area and names of the Companies in which he holds the directorships/ memberships/ chairmanships of Board Committees, shareholding and relationship between Directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given hereunder:

Listed Companies (other than Nahar Spinning Mills Limited) in which Dr. Vijay Asdhir holds Directorship of Board, Chairmanship and Membership of Board Committees as on 31st March, 2021:

Directorship of Board:

| Sr.No. | NAME OF THE COMPANY | STATUS |
|--------|--|----------------------|
| 1 | Nahar Capital and Financial Services Limited | Independent Director |
| 2 | Nahar Poly Films Limited | Independent Director |
| 3 | Nahar Industrial Enterprises Limited | Independent Director |

Chairmanship of Board Committees:

| Sr. No. | NAME OF THE COMPANY | STATUS |
|---------|--|--|
| 1 | Nahar Capital and Financial Services Limited | Audit Committee |
| 2 | Nahar Industrial Enterprises Limited | Audit, Nomination and Remuneration Committee |

Membership of Board Committees:

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



Shareholding in the Company: Nil

Disclosure of relationship between Directors inter-se: Nil

The Board recommends the Special Resolution set out at Item No. 9 of the accompanying Notice for your approval.

ITEM NO. 10

Dr. Amrik Singh Sohi was re-appointed as an Independent Director of the Company on 26.09.2017 to hold office for five consecutive years for a second term up to September 25, 2022 under the applicable provisions of the Companies Act, 2013.

The provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, provides that no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect.

Dr. Amrik Singh Sohi is 74 years of age. He is M.Sc. and Ph.D. He is an eminent Educationist, Researcher and Agricultural expert having more than 43 years of experience. Presently, he is working as a Consultant in RGR Cell, Sri Rattan Tata Trust, Mumbai. He is independent of the management and possesses appropriate skills, experience and knowledge.

Having regard to his vast expertise and knowledge, the Nomination and Remuneration Committee has recommended his continuation on the Board as an Independent Director. The Board is also of the opinion that his continued association would be of immense beneficial to the Company. So it is desirable and advisable to continue avail his services as an Independent Director.

Accordingly, the Resolution seeking your consent/ approval by way of Special Resolution, set out at Item No. 10 of the Notice, for continuation of holding of existing office by Dr. Amrik Singh Sohi as Independent Director of the Company even on attaining the age of 75 years, upto the expiry of his present term of office i.e. September 25, 2022, has been proposed for your approval.

Except Dr. Amrik Singh Sohi, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the Resolution.

Brief resume of Dr. Amrik Singh Sohi, nature of his expertise in specific functional area and names of the Companies in which he holds the directorships/ memberships/ chairmanships of Board Committees, shareholding and relationship between Directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given hereunder:

Listed Companies (other than Nahar Spinning Mills Limited) in which Dr. Amrik Singh Sohi holds

Directorship of Board, Chairmanship and Membership of Board Committees as on 31st March, 2021:

Directorship of Board:

| Sr. No. | NAME OF THE COMPANY | STATUS |
|---------|--|----------------------|
| 1 | Monte Carlo Fashions Limited | Independent Director |
| 2 | Nahar Capital and Financial Services Limited | Independent Director |
| 3 | Nahar Poly Films Limited | Independent Director |

Chairmanship of Board Committees:

| Sr. No. | NAME OF THE COMPANY | STATUS |
|---------|--|------------------------------------|
| 1 | Nahar Capital and Financial Services Limited | Stakeholder Relationship Committee |

Membership of Board Committees:

| Sr. No. | NAME OF THE COMPANY | COMMITTEE |
|---------|--------------------------|------------------------------------|
| 1 | Nahar Poly Films Limited | Stakeholder Relationship Committee |

Shareholding in the Company: Nil

Disclosure of relationship between Directors inter-se: Nil

The Board recommends the Special Resolution set out at Item No. 10 of the accompanying Notice for your approval.

Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Director seeking appointment/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. Name | Mr. Dinesh Gogna |
| Age | 68 Years |
| Qualification | BA, LLB |
| Expertise | Having more than 44 years of 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, 2021:

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 |
| 5 | Oswal Leasing Limited | Director |

**Chairmanship of Board Committees:**

| Sr. No. | NAME OF THE COMPANY | STATUS |
|---------|--------------------------------------|--------------------------------------|
| 1 | Monte Carlo Fashions Limited | Stakeholder's Relationship Committee |
| 2 | Nahar Industrial Enterprises Limited | Stakeholder's Relationship Committee |

Membership of Board Committees:

| Sr.No. | NAME OF THE COMPANY | STATUS |
|--------|--|---|
| 1 | Monte Carlo Fashions Limited | Audit Committee Nomination and Remuneration Committee CSR Committee Share Transfer Committee |
| 2 | Nahar Industrial Enterprises Limited | Audit Committee CSR Committee |
| 3 | Nahar Poly Films Limited | Audit Committee Stakeholder Relationship Committee CSR Committee Share Transfer Committee |
| 4 | Nahar Capital and Financial Services Limited | CSR Committee Share Transfer Committee |

Shareholding in the Company: Nil**Disclosure of relationship between Directors inter-se: Nil**

| | |
|----------------------|--|
| 2. Name | Mr. Kamal Oswal |
| Age | 59Years |
| Qualification | B.Com |
| Expertise | Having more than 39 years of experience in Textile & Woollen Industry. |

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, 2021:**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 | STATUS |
|---------|--------------------------------------|--------------------------------------|
| 1 | Nahar Industrial Enterprises Limited | Stakeholder's Relationship Committee |

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.****Shareholding in the Company: Nil****Disclosure of relationship between Directors inter-se: Nil**

BY ORDER OF THE BOARD

DATE: 2ND AUGUST, 2021BRIJ SHARMA
(COMPANY SECRETARY)**REGISTERED OFFICE:**
373, Industrial Area-A,
Ludhiana -141003 (India)
CIN: L17115PB1980PLC004341
E-mail: secnsm@owmnahar.com