

## NOTICE

NOTICE is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Shareholders of **NITIN SPINNERS LIMITED** will be held at the Registered Office of the Company at 16-17 KM. Stone, Chittor Road, Hamirgarh, Bhilwara-311 025 (Rajasthan) on **Friday, the 25<sup>th</sup> September, 2015 at 3.30 P.M.** to transact the following business:-

### Ordinary Business:-

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2015 including the Audited Balance Sheet as at 31<sup>st</sup> March, 2015 the Statement of Profit and Loss for the year ended on that date and the Directors' and Auditors' Report thereon.
2. To declare dividend on Equity Shares for the year ended March 31, 2015.
3. To appoint a Director in place of Shri Nitin Nolkha (DIN-00054707), who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Statutory Auditors of the Company and to fix their remuneration

### Special Business:-

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

**"RESOLVED THAT** pursuant to provisions of section 196, 197, 198 and 203 read with schedule V & all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) and subject to any other approvals, if any, Shri R. L. Nolkha (DIN 00060746), Chairman & Managing Director of the Company be and is hereby re-appointed as Executive Chairman of the Company for a further period of 3 (three) years with effect from 1<sup>st</sup> September, 2015 to 31<sup>st</sup> August, 2018 on following revised terms & conditions:-

- I. Basic Salary :** Rs. 3,30,000/- (Rs. Three Lacs Thirty Thousand) per month with an annual increase of Rs 30,000/- (Rs. Thirty Thousand) in the month of September every year.
- II. Commission :** In addition to Basic Salary, Perquisites and any other benefits, he shall be allowed commission not exceeding 1% of the net profit of the company in a financial year as computed under section 198 of the Companies Act, 2013 subject to necessary approvals as may be required.
- III. Perquisites :** In addition to the above basic salary and commission Shri R. L. Nolkha shall be entitled for the following perquisites and allowances:-

The perquisites are classified into following three categories A, B and C :-

### Category "A"

1. **Housing I :** The appointee shall be provided with free furnished residential accommodation with free Gas, Electricity and Water. The expenditure incurred by the company on hiring of accommodation for him shall be subject to a ceiling of 60% of the salary over and above 10% payable by him.

**Housing II :** In case the Company owns the accommodation, the company shall deduct 10% of the salary

**Housing III :** In case the company provides no accommodation; house rent allowance as per rules of the Company shall be paid.

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income Tax Act, 1961.

2. **Medical Reimbursement :** For self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
3. **Leave Travel Concession :** For self and family once in a year incurred in accordance with the rules prescribed by the Company.
4. **Club Fees :** Fees of clubs subject to the maximum of two clubs will be allowed. Admission and life membership fees shall not be allowed.
5. **Personal Accident Insurance :** Actual premium paid subject to maximum limit of Rs. 10000/- in a year.

### Category "B"

1. **Provident Fund :** Company's contribution to provident fund shall be as per the scheme of our Company.
2. **Superannuation/Annuity Funds :** Company's contribution to superannuation/annuity fund shall be in accordance with the scheme of the company.
3. **Gratuity :** As per the rules of our Company, payable in accordance with the approved fund at the rate of half a months salary for each completed year of service.

The above Contribution to provident fund, superannuation / annuity fund and gratuity will not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

### Category "C"

1. **Car :** Facility of car shall be provided for business use of the Company. The Company shall bill use of car for private purposes separately.
2. **Telephone :** Free telephone facility at residence. The Company shall bill personal long distance calls.

### Sitting Fee

No sitting fee shall be paid to Sh. R.L. Nolkha, Chairman for attending the Meeting of Board of Directors or any

committee thereof. He shall be liable to retire by rotation.

**FURTHER RESOLVED** that in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013 or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and are hereby authorised to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the above referred terms and conditions of re-appointment of Sh. R.L. Nolkha, Chairman shall be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval.

**FURTHER RESOLVED** that if in any financial year during the currency of tenure of the Chairman, the Company has no profits or its profits are inadequate the appointee shall be entitled to minimum remuneration by way of Basic Salary, Perquisites, allowances not exceeding the limits specified under para 1 (A) of Section II, Part II of Schedule V to the Companies Act, 2013”

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

“**RESOLVED THAT** pursuant to provisions of section 196, 197, 198 and 203 read with schedule V & all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) and subject to any other approvals, if any, Shri Nitin Nolakha (DIN 00054707), Executive Director of the Company be and is hereby re-appointed as Executive Director of the Company for a further period of three years with effect from 1<sup>st</sup> October, 2015 to 30<sup>th</sup> September, 2018 on following revised terms & conditions:-

**I. Basic Salary :** Rs.2,25,000/- (Rs. Two Lacs Twenty Five Thousand) per month with an annual increase of Rs. 25,000/- (Rs. Twenty Five Thousand) in the month of October every year.

**II. Commission :** In addition to Basic Salary, Perquisites and any other benefits, he shall be allowed commission not exceeding 1% of the net profit of the company in a financial year as computed under section 198 of the Companies Act, 2013 subject to necessary approvals as may be required.

**III. Perquisites :** In addition to the above basic salary and commission Shri Nitin Nolakha shall be entitled for the following perquisites and allowances:-

The perquisites are classified into following three categories A, B and C :-

**Category “A”**

1. **Housing I :** The appointee shall be provided with free furnished residential accommodation with free Gas, Electricity and Water. The expenditure incurred by the company on hiring of accommodation for him shall be

subject to a ceiling of 60% of the salary over and above 10% payable by him.

**Housing II :** In case the Company owns the accommodation, the company shall deduct 10% of the salary

**Housing III :** In case the company provides no accommodation; house rent allowance as per rules of the Company shall be paid.

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income Tax Act, 1961.

2. **Medical Reimbursement :** For self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
3. **Leave Travel Concession :** For self and family once in a year incurred in accordance with the rules prescribed by the Company.
4. **Club Fees :** Fees of clubs subject to the maximum of two clubs will be allowed. Admission and life membership fees shall not be allowed.
5. **Personal Accident Insurance :** Actual premium paid subject to maximum limit of Rs. 10000/- in a year.

**Category “B”**

1. **Provident Fund :** Company's contribution to provident fund shall be as per the scheme of our Company.
2. **Superannuation/Annuity Funds :** Company's contribution to superannuation/annuity fund shall be in accordance with the scheme of the company.
3. **Gratuity :** As per the rules of our Company, payable in accordance with the approved fund at the rate of half a month salary for each completed year of service.

The above Contribution to provident fund, superannuation / annuity fund and Gratuity will not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

**Category “C”**

1. **Car :** Facility of car shall be provided for business use of the Company. The Company shall bill use of car for private purposes separately.
2. **Telephone :** Free telephone facility at residence. The Company shall bill personal long distance calls.

**Sitting Fee**

No sitting fee shall be paid to Sh. Nitin Nolakha, Executive Director for attending the Meeting of Board of Directors or any committee thereof. He shall be liable to retire by rotation.

**FURTHER RESOLVED** that in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013 or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and are hereby authorised to vary or increase the remuneration including

salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the above referred terms and conditions of re-appointment of Sh. Nitin Nolakha, Executive Director shall be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval.

**FURTHER RESOLVED** that if in any financial year during the currency of tenure of the Executive Director, the Company has no profits or its profits are inadequate the appointee shall be entitled to minimum remuneration by way of Basic Salary, Perquisites, allowances not exceeding the limits specified under para 1 (A) of Section II, Part II of Schedule V to the Companies Act, 2013.”

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

“**RESOLVED** that in supersession of the special resolution passed by the members of the Company at the 22<sup>nd</sup> Annual General Meeting held on 11<sup>th</sup> September, 2014 and pursuant to section 180(1)(c) and any other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) and all other applicable rules, laws and acts, if any, and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities, if any, while granting such approvals, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the company for borrowing for the purpose of business, from time to time, any sum or sums of money on such terms and conditions with or without security as the Board of Directors may think fit, which together with the monies already borrowed by the Company (apart from the temporary loans obtained from the bankers of the Company in the ordinary course of business) and being borrowed by the Board at any time shall not exceed in the aggregate at any time Rs. 1000.00 Crores (Rupees One Thousand Crores Only) in Indian Rupees or equivalent thereof in any foreign currency(ies) irrespective of the fact that such aggregate amount of borrowings outstanding at any time may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose.

**FURTHER RESOLVED THAT** the Board of Directors be and is hereby authorised and it shall always be deemed to have been so authorised to finalise and execute the requisite agreement, documents, deeds and writings and to do all such other acts, deeds and things as may be necessary to give effect to the above resolution.”

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

“**RESOLVED** that in supersession of the special resolution

passed by the members of the Company at the 22<sup>nd</sup> Annual General Meeting held on 11<sup>th</sup> September, 2014 and pursuant to section 180(1)(a) and any other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) and all other applicable rules, laws and acts, if any, and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities, if any, while granting such approvals, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage and/or create charge on all or any one or more of the movable/immovable properties or such other assets of the Company, wheresoever situated, both present and future, on such terms and conditions and at such time or times and in such form or manner as it may deem fit, to or in favour of the lenders to secure any fund based and/or non fund based facilities not exceeding Rs. 1000.00 Crores (Rs. One Thousand Crores only) together with interest thereon at the respective agreed rate(s), compound interest, additional interest, liquidated damage(s), commitment charge(s), premia on prepayment or redemption, cost charge(s) expenses and all other monies payable by the Company to such lenders under the respective loan/other agreement(s) entered/to be entered into between the Company and the lender(s) in respect of the said borrowing(s), such security to rank in such manner as may be agreed to between the concerned parties and as may be thought expedient by the Board”.

“**FURTHER RESOLVED** that the Board of Directors be and is hereby authorised and it shall always be deemed to have been so authorised to finalise and execute with the Lenders the requisite agreement, documents, deeds and writings for borrowing and/or for creating together aforesaid mortgage(s) and/or charge(s) and to do all such other acts, deeds and things as may be necessary to give effect to the above resolution”.

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

“**RESOVLED** that pursuant to Section 148 of the Companies Act, 2013 and rules framed there under the payment of remuneration of Rs. 40,000/- plus applicable Service Tax and reimbursement of out of pocket expenses to M/s. V. K. Goyal & Company, Cost Accountants (Membership No. FCMA : 5928) for conducting Cost Audit of the Company for the Financial Year ending March, 2016 as approved the Board of Director be and is hereby ratified and confirmed”

**By order of the Board of Directors**

Place : Bhilwara

(Sudhir Garg)

Date : 25.07.2015

**Company Secretary & GM (Legal)**

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten) of the total share capital of the Company carrying voting rights. A member holding more than 10% (ten) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder. The instrument appointing the Proxy, in order to be effective, must reach to the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.**
2. Corporate members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend the Annual General Meeting.
3. In case of joint holders attending the meeting, only such joint holders who are higher in the order of names will be entitled to vote.
4. Members and Proxies attending the meeting are requested to bring their copy of Annual Report and the attendance slip duly filled at the Meeting place.
5. In terms of Articles of Association of the Company, read with section 160 of the Companies Act, 2013, Sh. Nitin Nolkha, Executive Director of the Company, retires by rotation at the ensuing Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. In terms of clause 49 of the Listing Agreement the relevant details of Sh. Nitin Nolkha are given in the Corporate Governance Report which forms an integral part of the notice.
6. Pursuant to Section 102 of the Companies Act, 2013, the statement setting out the material facts concerning each item of special business to be conducted at the 23<sup>rd</sup> Annual General Meeting is annexed hereto.
7. The register of Members and Share Transfer Books of the Company shall remain closed from 18<sup>th</sup> September, 2015 to 25<sup>th</sup> September, 2015 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend, if approved by the members.
8. The dividend as recommended by the Board, if declared at the meeting, will be paid after 25<sup>th</sup> September, 2015 to those members :-
  - (a) whose names appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/Registrar and Transfer Agent on or before 17<sup>th</sup> September, 2015 and
  - (b) whose names appear as Beneficial Owners in the list of Beneficial Owners on 17<sup>th</sup> September, 2015 to be furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose.
9. The annual report and the notice of AGM and also the details of unclaimed dividend for the year 2013-14 is available at the website of the Company i.e. [www.nitinspinners.com](http://www.nitinspinners.com). The shareholders are requested to write to the Company/RTA for claiming such dividend.
10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the register of contracts or arrangements in which Directors are interested, maintained under section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
11. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day till the date of 23<sup>rd</sup> Annual General Meeting from 10.00 A.M. to 1.00 P.M.
12. The Company has opened account for unclaimed shares with Kotak Securities Ltd. and 2300 equity shares were lying in the account as on 31.03.2015. During the year 2014-15, no claim for transfer of these shares has been received.
13. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their copies of PAN card to their Depository Participants with whom they are maintaining DEMAT Accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA.
14. Queries, if any, on accounts and operations may please be sent to the

company 7 days in advance of the meeting so that the answers can be made at the meeting.

15. Members are requested to immediately intimate change of address/bank mandate, if any, to the Registrar and Share Transfer Agent or to the Company.
16. As measure of green initiatives, electronic copy of the Annual Report-2015 is being sent to the members whose email IDs are registered with Company/Depository Participant(s) unless any member has requested for a physical copy of the same and in order to receive copies of Annual Reports and other communications through e-mail, members are requested to register their e-mail address with their Depository Participant(s) or with Company by sending e-mail to [investorrelations@nitinspinners.com](mailto:investorrelations@nitinspinners.com)
17. Sh. Manoj Maheshwari, FCS 3355, practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the remote e-voting and poll process to be carried at the AGM in a fair and transparent manner.

**Voting through electronic means**

- I** In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Company is pleased to provide a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Ltd. The facility for voting, through ballot paper, will also be made available at the Meeting and the members attending the Meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the Meeting through ballot paper. Members who have cast their votes by remote e-voting prior to the Meeting may attend the Meeting but shall not be entitled to cast their votes again. The instructions for e-voting are given in the Notice.
- II** The voting period starts at 10.00 A.M on Monday, the 21<sup>st</sup> September, 2015 and ends at 5.00 P.M on Thursday, the 24<sup>th</sup> September, 2015. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of, Friday, the 18<sup>th</sup> September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

**The instructions for members for voting electronically are as under:-  
In case of members receiving e-mail:**

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

**For Members holding shares in Demat Form and Physical Form**

- |     |   |
|-----|---|
| 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 first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name &amp; address sticker/Postal Ballot Form/mail) in the PAN field.</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> |
|-----|---|

**DOB** Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

**Dividend Bank Details** Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field.

(xvii) 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.

(xviii) Note for Institutional shareholders :-

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.
- (B) 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 or you can contact Mr. Sudhir Garg, Company Secretary & GM (Legal), Nitin Spinners Ltd. at 01482-286110 or E-mail Id [sudhirgarg@nitinspinners.com](mailto:sudhirgarg@nitinspinners.com)
- II. A copy of this notice has been placed on the website of the Company and the website of CDSL
- III The scrutinizer, after scrutinizing the votes cast at the meeting (Polling by ballot) and through remote e-voting will not later than two days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman.
- IV The results declared alongwith the consolidated Scrutinizer's Report shall be placed on the Company's website [www.nitinspinners.com](http://www.nitinspinners.com) and on the website of CDSL and shall simultaneously be communicated to the Stock Exchanges.

**ANNEXURE TO NOTICE**

**Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013.**

**Item No. 5 & 6**

The tenure of appointment of Sh. R.L. Nolkha, Chairman & Managing Director is expiring on 31.08.2015 and that of Sh. Nitin Nolkha, Executive Director is expiring on 30.09.2015. The resolution at item no. 5 and 6 seek approval of the members in respect of re-appointment of Sh. R.L. Nolkha, Chairman and Sh. Nitin Nolkha, Executive Director. Sh R.L. Nolkha shall cease to be Managing Director as he is proposed to be appointed as executive Chairman. The Nomination and Remuneration Committee has recommended their re-appointment. In accordance with the recommendations of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on July 25, 2015, re-appointed Sh. R.L. Nolkha as Chairman for three years w.e.f. 01.09.2015 and Sh Nitin Nolkha as Executive Director for three years w.e.f. 01.10.2015 on the terms and conditions set out in the resolution. The Board of Directors recommends the Special Resolutions as set out at item no. 5 and 6 of the Notice.

Save and except Sh. R.L. Nolkha and Sh. Nitin Nolkha, being appointees and Sh Dinesh Nolkha being relative of the appointees, to the extent of their shareholding interest in the Company, None of the other Directors / Key Managerial Personnel (KMP) of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item nos. 5 and 6 of the notice.

The Board of Directors recommends the Special Resolutions as set out at item no. 5 and 6 of the Notice for approval by the shareholders.

**INFORMATION PURSUANT TO PARA 1(A) OF SECTION II OF PART II OF THE SCHEDULE V TO THE COMPANIES ACT, 2013**

**I. General Information**

**1. Nature of Industry**

The Company is in the business of manufacturing of Cotton Yarn &

Knitted Fabric.

**2. Date or expected date of commercial production :**

The Company was incorporated on 15.10.1992 and commercial production was commenced in November, 1993.

**3. Financial Performance based on given indicators**

The financial performance of the Company during the previous three financial years is as under:-

(Rs. in Lacs )

	Financial Year Ended		
	31.03.2015	31.03.2014	31.03.2013
<b>Revenue from Operations</b>	<b>62159.96</b>	<b>48868.78</b>	<b>44605.36</b>
Profit Before interest & Depreciation	10430.65	9428.40	8751.86
Interest	2261.98	1746.35	2730.58
<b>Profit Before Depreciation</b>	<b>8168.67</b>	<b>7682.05</b>	<b>6021.28</b>
Depreciation	2794.00	2486.58	2449.87
Exceptional items	-	-	1473.83
<b>Profit before Tax</b>	<b>5374.67</b>	<b>5195.47</b>	<b>2097.58</b>
Provision for Tax	1278.73	1717.40	683.85
<b>Profit After Tax</b>	<b>4095.94</b>	<b>3478.07</b>	<b>1413.73</b>

**4. Export performance and net foreign exchange collaborations:**

Export sale of the Company for the year 2014-15 was Rs. 392.18 crores against Rs. 332.05 crores in the year 2013-14.



**5. Foreign investments or collaborations, if any: NIL**

**II. Information About The Appointee :**

**1. Background details**

Sh. R. L. Nolkha aged about 69 years is one of the key promoters of the Company. He is Director of the Company since its incorporation and holding 55,50,000 equity shares in the Company as on 30.06.2015. He is member of all three pioneer institutions i.e. Institute of Chartered Accountants (ICAI), Institute of Company Secretary of India (ICSI) and Institute of Cost Accountants of India. He has vast experience of more than four decades in the Textile Industries. He was earlier associated with Surya Roshni Ltd., RSWM Ltd. and BSL Ltd. at senior positions. He was the Managing Director of BSL Ltd. for eight years before joining your Company as Whole-Time Director in the year 1997.

Sh. Nitin Nolkha aged about 39 years was appointed Director of the Company on 01.07.1997 and holding 17,10,000 equity shares in the Company as on 30.06.2015. He is a Bachelor of Commerce and Master of Business Administration (MBA). He is one of the key promoters of the Company and has vast experience of more than 17 years in the Textile Industry.

**2. Past Remuneration and Proposed Remuneration**

**Sh. R.L. Nolkha :-**

Past Remuneration	Proposed Remuneration
Basic Pay Rs. 2.50 Lacs P.M. with an increment of Rs. 25000/- per annum. Other perquisites as mentioned in the resolution. (From 01.09.2012 to 31.08.2015) Present basic pay is Rs. 3.00 Lacs.	Basic Pay Rs. 3.30 Lacs P.M. with an increment of Rs. 30,000/- per annum. Other perquisites as mentioned in the resolution. (From 01.09.2015 to 31.08.2018)

**Sh. Nitin Nolkha :-**

Past Remuneration	Proposed Remuneration
Basic Pay Rs. 1.00 Lacs P.M. with an increment of Rs. 25000/- per annum. Other perquisites as mentioned in the resolution. (From 01.10.2010 to 30.09.2015) Present basic pay is Rs. 2.00 Lacs.	Basic Pay Rs. 2.25 Lacs P.M. with an increment of Rs. 25000/- per annum. Other perquisites as mentioned in the resolution. (From 01.10.2015 to 30.09.2018)

**3. Recognition or awards**

Sh. R.L. Nolkha is member of various Chamber/Organizations relating to trade and industry and presently he is Chairman of Rajasthan Textile Mills Association. He was Chairman of North India Textile Research Association (NITRA) and Mewar Chamber of Commerce and Industries.

Sh. Nitin Nolkha is associated with Chamber/Organizations relating to trade and industry and religious associations.

**4. Job Profile and his suitability**

Sh. R.L. Nolkha is looking after the overall affairs of the Company subject to superintendence, control and directions of the Board of Directors.

Sh. Nitin Nolkha is looking after Plant Operations, Procurement / Sourcing, Administration & Management subject to superintendence, control and direction of the Chairman, Managing Director and Board of Directors.

Taking into account of their qualifications, experience and comparison with similarly situated managerial personnel in the industry and responsibilities placed on them and in view of his contribution to the Company since their appointment, the Board considers their remuneration is in the best interest of the Company.

**5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person :-**

The Company has paid up share capital of Rs. 45.83 Crores and is listed with two Stock Exchanges i.e. BSE & NSE with approx 14000 shareholders. It is engaged in the business of manufacturing of Cotton Yarn and Knitted Fabric with Turnover of Rs. 616 Crores during the F.Y. 2014-15. Considering the size of the Company and profile of Sh. R.L. Nolkha and Nitin Nolkha, responsibilities shouldered by them the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies in the same Industry.

**6. Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any**

Except the payment of remuneration for their services detailed in the

resolution and payment of rent for office premises of Rs. 7500/- P.M. to Sh. R. L. Nolkha, they have no other pecuniary relationship with the Company. None of the Directors and Key Managerial Personnel of the Company and their relatives except Sh. R. L. Nolkha, Sh. Dinesh Nolkha and Sh. Nitin Nolkha being related to each other are interested in this resolution.

**III. Other information :**

**1. Reasons of loss or inadequate profit :-**

The Company earned profit before tax of Rs. 5374.67 Lacs for the financial year 2014-15 as compared to Profit before Tax of Rs. 5195.47 Lacs in the year 2013-14. During the financial year 2014-15, the Company is having adequate profit. **In the coming years the company may have inadequate profits and therefore these resolutions have been proposed.**

**2. Steps taken or proposed to be taken for improvement :-**

The Company has implemented expansion project of Rs. 286 Cores and it is further planning to undertake expansion project of Spinning Unit at an estimated cost of Rs. 300 Crores and it is also taking effective steps to bring down the cost of production and overheads. The Company is hopeful that these measures will yield good returns in future.

**3. Expected increase in productivity and profits in measurable terms :-**

The Company has taken initiatives to improve the profitability of the Company and will continue in its endeavor to improve performance and Management expects a reasonable growth in business, gross revenue and net profit in the coming year.

**Item No. 7 & 8**

As per provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the permission of the members in General Meeting, borrow monies in excess of the aggregate of the paid-up capital of the Company and its free reserves. Further, the borrowings of the Company are, generally, required to be secured by suitable charge and/or mortgage over the moveable and/or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s).

The Company is planning to undertake expansion project of Spinning Unit and it is proposed to be financed through Term Loans from Banks and internal accruals. Hence, increase in borrowings of the Company would necessitate increase of the borrowing limits by authorizing the Board of Directors to borrow moneys which may exceed at any time aggregate of the paid-up capital of the Company and its free reserves, but not exceeding Rs. 1000 Crores (Rs. One Thousand Crores) (in place of existing limit of Rs. 700 Crores) with a matching authorization for creation of charge and/or mortgage over the moveable and/or immovable properties of the Company as security. These upward revisions in the borrowing limits and creation of securities by way of charge and/or mortgage would require your approval under the provisions of Sections 180(1)(c) and 180(1)(a) of the Companies Act, 2013 respectively.

None of the Directors /Key Managerial Personnel (KMP) of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item nos. 7 and 8 of the notice.

The Board of Directors recommends the Special Resolutions as set out at item no. 7 and 8 of the Notice.

**Item No. 9**

The Board of Directors on the recommendation of the Audit Committee have appointed, M/s. V. K. Goyal & Company, Cost Accountants, Bhilwara, as Cost Auditors of the Company for the financial year 2015-16. As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members. The Board recommends the resolution as an Ordinary Resolution for approval by the Members.

None of the Directors /Key Managerial Personnel (KMP) of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item nos. 9 of the notice.

The Board of Directors recommends the Ordinary Resolutions as set out at item no. 9 of the Notice.

**By order of the Board of Directors**

Place : Bhilwara  
Date : 25.07.2015

**(Sudhir Garg)**  
Company Secretary & GM (Legal)