



DEEPAK SPINNERS LIMITED

A Government Recognised Export House
Corporate Identification No. : L17111HP1982PLC016465
Plot No. 194 - 195, Fourth Floor, Industrial Area, Phase 2,
Chandigarh - 160002, India | Phone: + 91 172 265 0973/74/77
usha@dsl-india.com | www.dsl-india.com

DSL/PA/2020

17TH August 2020

To,

Corporate Relationship Department
BSE Limited
P. J. Towers, Dalal Street,
Mumbai – 400 001.

Sirs,

Subject : Notice of the 38th Annual General meeting (AGM)
Scrip Code - 514030

Please find annexed herewith Notice of 38th Annual General Meeting (AGM) of the shareholders of the Company to be held through Video Conferencing (VC)/Other Audio Visual Means (OAVM) on Thursday, 10th September 2020 at 12.00 noon (IST) in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

You are requested to take the same on your record.

FOR DEEPAK SPINNERS LIMITED


(PUNEETA ARORA)
COMPANY SECRETARY



Encl. : as above



DEEPAK SPINNERS LIMITED

CIN NO. L17111HP1982PLC016465

Regd. Office: 121 Industrial Area, Baddi, Tehsil Nalagarh

District Solan, Himachal Pradesh-173205

Telephone nos. 0172 2650973, 2650974, 2650977

Website: www.dsl-india.com Email: share@dsl-india.com

NOTICE

NOTICE is hereby given that the 38th Annual General Meeting ('AGM') of the Members of Deepak Spinners Limited will be held on Thursday, the 10th day of September 2020 at 12.00 noon through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2020 including audited Balance Sheet as at 31st March, 2020 and the Statements of Profit and Loss and Cash Flow for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To confirm interim dividend of ₹ 1.50 per equity share paid for the year ended 31st March 2020.
3. To appoint a Director in place of Shri Yashwant Kumar Daga (DIN 00040632), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. To approve remuneration of Cost Auditors for the financial year ending 31st March 2021 and in this regard, to consider and if thought fit to pass the following Resolution as an **Ordinary Resolution**:-
"RESOLVED THAT pursuant to Section 148 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 including any statutory modification or re-enactment thereof for the time being in force, M/s. Shakti K. & Associates, Cost Accountants being the Cost Auditors appointed by the Board of Directors of the Company to conduct the cost audit for the financial year ending 31st March 2021, be paid the remuneration of ₹ 65,000/- (Rupees Sixty Five Thousand Only) excluding Goods and Services Tax and out of pocket expenses."
5. To reappoint Shri Pradip Kumar Daga as Managing Director and in this regard, to consider and if thought fit to pass the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), applicable clauses of Articles of Association and Nomination & Remuneration Policy of the Company, and subject to other approvals, if any, the consent of the Company, be and is hereby accorded to the re-appointment of Shri Pradip Kumar Daga (DIN 00040692) as Managing Director of the Company for a period of three years with effect from 16th April 2021, and approval of the Company be and is hereby accorded to the terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with liberty to the Board of Directors (the 'Board' which term shall include any Committee constituted or to be constituted by the Board) to alter and vary the terms and conditions of the said appointment in such manner, as may be agreed to between the Board of Directors and Shri Pradip Kumar Daga provided that such variation or increase, as may be, is within the overall limits as prescribed under Section 197 read with Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board of Directors and the Nomination & Remuneration Committee of the Board of Directors of the Company be and is hereby authorised to take all steps as may be necessary, proper and expedient in their entire discretion, for the purpose of giving effect to this resolution and for matters connected therewith and incidental thereto."

6. To appoint Shri Shive Bhagwan Sharda as Director and in this regard, to consider and if thought fit to pass the following resolution as an **Ordinary Resolution** :
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152, and any other applicable provisions of the Companies Act, 2013 (the

“Act”) read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Shive Bhagwan Sharda (DIN 08832160), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 10th August 2020, in terms of Section 161(1) of the Act and Article 101 of the Articles of Association of the Company, and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

7. To appoint Shri Shive Bhagwan Sharda as Whole Time Director and in this regard, to consider and if thought fit to pass the following resolution as a **Special Resolution** :

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), applicable clauses of Articles of Association and Nomination & Remuneration Policy of the Company, and subject to other approvals, if any, the consent of the Company, be and is hereby accorded to the appointment of Shri Shive Bhagwan Sharda (DIN 08832160)

as Whole Time Director of the Company for a period of three years with effect from 1st October 2020, and approval of the Company be and is hereby accorded to the terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with liberty to the Board of Directors (the ‘Board’ which term shall include any Committee constituted or to be constituted by the Board) to alter and vary the terms and conditions of the said appointment in such manner, as may be agreed to between the Board of Directors and Shri Shive Bhagwan Sharda provided that such variation or increase, as may be, is within the overall limits as prescribed under Section 197 read with Schedule V of the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board of Directors and the Nomination & Remuneration Committee of the Board of Directors of the Company be and is hereby authorised to take all steps as may be necessary, proper and expedient in their entire discretion, for the purpose of giving effect to this resolution and for matters connected therewith and incidental thereto.”

By Order Of the Board

PUNEETA ARORA
COMPANY SECRETARY
FCS 7466

PLACE: Chandigarh
DATE : 12.08.2020

NOTES

1. The Register of Members and the Share Transfer books of the Company will remain closed from **Friday, 4th September 2020 to Thursday, 10th September 2020** (both days inclusive) for annual closing.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. Details as required under Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standard on General Meetings (SS-2) in respect of the Directors seeking appointment/re-appointment at the AGM, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
4. In terms of Section 152 of the Act, Shri Yashwant Kumar Daga (DIN 00040632) retires by rotation at this Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment.
5. In view of the global outbreak of the Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular dated 5th May 2020 read with General Circulars dated 8th April 2020 and 13th April 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the AGM through VC or OAVM without the physical presence of the Members at a common venue. Further, Securities and Exchange Board of India ('SEBI') vide its Circular dated 12th May 2020 ('SEBI Circular') has also granted certain relaxations.

In compliance with the provisions of the Companies Act, 2013 ('the Act'), Listing Regulations and MCA Circulars, the 38th AGM of the Company is being held through VC/OAVM on Thursday, 10th September 2020 at 12.00 noon. The deemed venue for the 38th AGM will be the registered office of the Company at 121, Industrial Area, Baddi, Tehsil Nalagarh, District Solan, Himachal Pradesh-173205.

6. **Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since**

this AGM is being held pursuant to the MCA Circulars through VC / OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA Circulars and the SEBI Circular, the facility for appointment of proxies by the members will not be available for this AGM and hence the Proxy form, Attendance Slip and Route Map of the AGM Venue are not annexed to this Notice.

7. The Company has connectivity with both National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') under **ISIN No INE272C01013**.
8. Corporate members intending to authorize their representatives to attend the Meeting are requested to send a scanned certified copy of the board resolution (pdf format) authorizing their representatives to attend and vote on their behalf at the meeting. The said resolution / authorization shall be sent to the scrutinizer by email through its registered email address **ajaykcs@gmail.com** with a copy marked to **helpdesk.evoting@cdslindia.com**.
9. Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to write to the Company on or before **Friday, 4th September 2020**, mentioning their names, DPID and Client ID or Folio number, email id, mobile number through email at **share@dsl-india.com**. The same will be replied by the Company suitably. Documents referred to in this Notice will be made available for inspection as per applicable statutory requirements.
10. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of AGM along with the Annual Report is being sent only through electronic mode to those members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual report will also be available on the Company's website **www.dsl-india.com**, website of stock exchange, BSE Limited at **www.bseindia.com** and on the website of CDSL, at **www.evotingindia.com**.
11. The Registrar and Transfer Agents (RTA) of the Company are M/s. Maheshwari Datamatics Private Limited, 23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700 001, for both physical and demat segment of equity shares. Members are

requested to send all their correspondence at the above address of RTA. For any communication, the shareholders may also send requests and queries to email ids: mdpldc@yahoo.com and share@dsl-india.com.

12. **REGISTRATION OF EMAIL ADDRESSES - Eligible members whose e-mail addresses are not registered with the Company / Depository Participants, are requested to provide the same to the Registrar and Transfer Agent on this link - <http://mdpl.in/form/email-update>.**
13. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to RTA, for their doing the needful.
14. Members are requested to notify immediately any change in their addresses and/or the Bank Mandate details to the Company's RTA for shares held in physical form and to their respective Depository Participant (DP) for shares held in electronic form.
15. Members are requested to note that dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company are liable to be transferred to the Investor Education and Protection Fund (IEPF). Further, the shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members / Claimants are requested to claim their dividends from the Company within the stipulated timeline.
16. Pursuant to provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company on the website of the Company, www.dsl-india.com and also on the website of the Ministry of Corporate Affairs.
17. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
18. In terms of circulars issued by The Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of Permanent Account Number Card (PAN Card) by every participant in securities market. **Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details by clicking this link - <http://mdpl.in/form/pan-update>.**
19. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialized form with effect from 1st April 2019 except in case of transmission or transposition of securities. In view of the above, members are advised to dematerialize shares held by them in physical form.
20. Shri Ajay Arora, Practicing Company Secretary (Membership No. FCS 2191 and Certificate of Practice No. 993) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
21. **VOTING THROUGH ELECTRONIC MEANS**
 - a) In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of the Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is providing its members, the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting services. The facility of casting votes by a member using remote e-voting as well as e-voting during the AGM will be provided by CDSL.
 - b) The remote e-voting period commences on **Sunday, 6th September 2020 (9:00 am) and Wednesday, 9th September 2020 (5:00 pm)**. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of Thursday, 3rd September 2020** may cast their vote by

remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

c) The process and manner for remote e-voting are as under:

- i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (i) Click on 'Shareholders' module
- (ii) 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.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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.
- (vi) 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"> • 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 in the PAN field.
	<ul style="list-style-type: none"> • 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.

Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <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 (iii).
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- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the Company's Name.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.

- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

d) Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:

- i) For shareholders holding shares in physical form - 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 Company/RTA email address at share@dsl-india.com and mdpldc@yahoo.com.
- ii) For shareholders holding shares in dematerialized form - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name of shareholder, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email address at share@dsl-india.com and mdpldc@yahoo.com.**

- iii) The Company / RTA shall co-ordinate with CDSL and provide the login credentials to the aforesaid shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM:

1. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on ‘first come first serve’ basis.
2. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further shareholders will be required to switch on the video facility and use Internet connection with a good speed to avoid any disturbance during the meeting.
5. 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.
6. 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 on or before **Friday, 4th September 2020**, mentioning their name, demat account number/folio number, email id, mobile number at share@dsl-india.com. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

8. Members who need assistance before or during the AGM or have any queries or issues regarding e-voting, may refer the Frequently Asked Questions ('FAQs') and e-voting manual available at www.evotingindia.com under help section or write an email to or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
9. 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 Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast 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.
3. 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.
4. Shareholders who have voted through remote e-voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the AGM.

INSTRUCTIONS FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians 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 and to the Company at the email address viz, ajaykcs@gmail.com and share@dsl-india.com respectively, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

OTHER GUIDELINES

- i) Any person, who acquires shares of the Company and becomes a member of the Company after mailing of the Notice and is holding shares as on the cut off date, may obtain the login ID and password by sending an email to mdpldc@yahoo.com.
- ii) A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting.
- iii) 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, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

or contact Shri Shrawan Kumar Chaubey, Manager, M/s. Maheshwari Datamatics Private Limited, 23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700 001, Telephone : (033)22435029, (033)22433809, (033) 22482248, E-mail – mdpldc@yahoo.com.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

On the recommendation of Audit Committee, the Board, at its meeting held on 16.05.2020 has considered and approved appointment of M/s. Shakti K. & Associates, Cost Accountants for the conduct of Cost Audit of the Company for the financial year 2020-21 at a remuneration of ₹ 65,000/- (Rupees Sixty Five Thousand Only) excluding Goods and Services Tax (GST) and out of pocket expenses.

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company.

The resolution at Item no. 4 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

In view of complying with the requirement of Section 148 of the Act and the rules thereunder, the notification of remuneration Cost Auditor for FY 2020-21, being special business is unavoidable in nature. The Board of Directors, accordingly, commends the Ordinary Resolution set out at Item no. 4 of the accompanying Notice for approval of the members.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at Item no. 4.

ITEM NO. 5

The existing tenure of Shri Pradip Kumar Daga, designated as “Managing Director” will be expiring on 15th April, 2021. The Board of Directors of the Company at their meeting held on 30.06.2020, in terms of the Articles of Association of the Company

and pursuant to the recommendation of the Nomination and Remuneration Committee, approval of the Audit committee and subject to the approval of the members, has recommended re-appointment of Shri Pradip Kumar Daga as a Whole-time Director designated as “Managing Director” for a period of three years commencing from 16th April, 2021.

The Company has not committed any default in repayment of any of its debts or interest payable thereon for a continuous period of thirty days in the preceding financial year and confirmation to this effect has been obtained from secured creditors of the Company.

Shri Pradip Kumar Daga, aged 83 years is an eminent Industrialist having vast Industrial experience in diverse fields like Tea, Textile and Engineering etc. It is to be noted that Shri Pradip Kumar Daga also holds the responsible position of Chairman and Managing Director of Deepak Industries Limited and he is not drawing any remuneration from Deepak Industries Limited. He is also a Director in Deepak Gears Limited and Longview Tea Company Limited.

Shri Pradip Kumar Daga has a shareholding of 555108 equity shares of ₹ 10/- in the Company as on 31st March 2020.

The Board feels that continuation of Shri Pradip Kumar Daga as Managing Director of the Company will lead to better growth and development. It is therefore, proposed to re-appoint him as Managing Director for a period of three years with effect from 16th April, 2021. The approval of the members is being sought to the terms, conditions and stipulations for the appointment of Shri Daga as the Managing Director.

The Principle terms and conditions of his appointment are as follows:-

1. Tenure of Appointment

The re-appointment of Shri Pradip Kumar Daga is for a period of three years with effect from

16th April 2021 till 15th April 2024.

2. Remuneration.

Shri Pradip Kumar Daga shall be paid remunerations as per the terms and conditions given below.

Basic Salary: ₹ 8,00,000/- per month with annual increment of 10% of the last consolidated salary beginning from 1st April each year.

Shri Pradip Kumar Daga will not be entitled to any sitting fee for attending Meetings of the Board of Directors or any Committee thereof.

Other Benefits:

I Perquisites/ Allowances to be considered in the computation of ceilings of remuneration specified in Schedule V to the Companies Act, 2013 in force

- 1) Leave Travel Concession for the Managing Director and his family in India and abroad once in a year in accordance with the rules of the Company.
- 2) Reimbursement of Club fees subject to maximum of two clubs.
- 3) **Medical Reimbursement:**
 - a) Reimbursement of medical expenses incurred by the Managing Director for the medical treatment for self and dependent family members.
 - b) The Company shall bear his and his dependent family members' total hospitalization expenses in India and abroad.
- 4) Personal Accident Insurance for self and dependent family members subject to maximum premium of ₹ 20,000/- per year or as may be decided by the Board.

II Perquisites/ Allowances which shall not be considered in computation of ceilings of remuneration specified in relevant schedule to the Companies Act in force-

- i) Contribution to Provident Fund, superannuation fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable at a rate not exceeding

half a month's salary for each completed year of service; and

- iii) Encashment of leave at the end of the tenure,
 - III Provision of car with driver and telephone at residence for use for Company's business will not be considered perquisites.
 - IV Reimbursement of entertainment, travelling and related expenses and electronic communication facilities by all available modes incurred for the business of the Company as well as traveling expenses of spouse accompanying Managing Director on any official overseas or domestic travels.
 - V Retirement benefits including monthly cash payments as may be decided by the Board at the time of retirement which would include housing and upkeep thereof, personal secretary, car with driver, etc.
 - VI Remuneration to Shri Pradip Kumar Daga may be revised and altered in any manner as the Board may deem fit during his tenure and no further consent of the shareholders be taken if the new remuneration after such revision and alteration does not exceed the limits as stipulated in Section 197 read with Schedule V to Companies Act 2013.
 - VII **Overall Remuneration :** The aggregate of Salary, allowances and perquisites in any one financial year shall not exceed the limits prescribed under section 197 read with schedule V of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as may be for the time being in force.
- ### 3. Other Terms of Appointment
- i) Shri Pradip Kumar Daga shall, subject to the superintendence, control and direction of the Board, perform and discharge such duties and responsibilities as may be entrusted to him by the Board of Directors.
 - ii) The appointment may be terminated by either party by giving three months' notice in writing to the other party.
 - iii) The period of office of Shri Pradip Kumar Daga shall be liable to determination by retirement of Directors by rotation. If Shri Daga is re-appointed as a Director,

immediately on retirement by rotation he shall continue to hold office of Whole-time Director designated as “Managing Director” and such re-appointment as Director shall not be deemed to constitute break in his appointment as a Whole-time Director designated as “Managing Director”.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956), the Board recommends the Special Resolution set out at item no. 5 of the accompanying Notice for the approval of the Members. The re-appointment of Shri Daga is appropriate and in the best interest of the Company.

The Register maintained in pursuance of Section 189 of the Companies Act, 2013 (erstwhile section 301 of the Companies Act, 1956) referred below, would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, excluding

Saturday, up to and including the date of the Annual General Meeting.

This Explanatory Statement together with the annexure accompanying Notice may also be regarded as a disclosure under Regulation 36 of the Listing Regulations.

The above may be treated as a written memorandum setting out the terms of payment of remuneration to Shri Pradip Kumar Daga under Section 190 of the Companies Act, 2013.

The above may also be treated as Disclosure required under Section 196 (4) of the Act, 2013, and Secretarial Standard-2.

The Directors commend the Resolution as set out at Item no. 5 for the approval of the members of the Company as a Special Resolution.

Except Shri Pradip Kumar Daga, being the appointee and Shri Yashwant Kumar Daga, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Further information on Item no. 5

I. General Information

Nature of Industry	:	Manufacture and Sale of Synthetic Yarn
Date or expected date of commencement of Commercial Production	:	13.08.1982
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	:	Not Applicable
Financial performance based on given indicators (for the year 2019-20)	:	Sales & other income : ₹ 46397.96 Lacs Profit/(Loss) after Tax : ₹ 1488.51 Lacs Rate of Dividend : 15% Earning per Share : ₹ 20.70
Foreign investments or collaborators, if any	:	As on date, the Company has no foreign collaborations.

II. Information about the Shri Pradip Kumar Daga

Background details	Shri Pradip Kumar Daga was appointed as Managing Director of the Company with effect from 16.04.2010. Under his dynamic leadership, the Company has significantly expanded its business activities from ₹ 26,236 lacs of Sale and other Income in 2010-11 to ₹ 46397.96 Lacs in 2019-20. Shri Daga is an eminent Industrialist having vast and rich business experience in diverse fields like tea, textile, spinning and engineering, etc.
Past remuneration	During 2019-20, he drew total ₹ 84.56 Lacs including perquisites as remuneration.

Recognition or awards	--
Job profile and his suitability	Besides, being an able leader, he is responsible for managing all the operations of the Company including manufacturing, finance, marketing, quality control, implementation of processes across the organization, etc. He possesses a sound knowledge of the textile industry.
Remuneration proposed	As mentioned in the Resolution.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Considering the responsibility shouldered by him & high levels of remuneration prevailing in the textile industry for such position, the Remuneration proposed is considered reasonable.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Except the remuneration and perquisites stated above, Mr. Daga holds 555108 equity shares of ₹ 10- each in the Company as on 31.03.2020 and besides his relation with Shri Yashwant Kumar Daga, Director of the Company, he has no other direct or indirect pecuniary relationship with the Company.

III. Other Information

Sluggish market conditions and Covid 19 has brought about slowdown in the business of the Company, due to shortage of labour, less demand, crisis in receipt of payment, etc. The key priorities of the Company are to closely monitor costs, optimize the use of financial resources while continuing to invest in some of the growth areas. The Company expects revival in the second half of the year. The capital expenditure planned by the Company during the current year shall result in substantial savings in cost of production, which will also add to productivity and profit margin of the Company. The Company is taking all necessary measures in terms of mitigating the impact of the challenges posed due to Covid 19.

ITEM NO. 6

Shri Shive Bhagwan Sharda (DIN 08832160), aged 70 years, is associated with the Company since past 28 years and is currently working in the Company as President and Chief Financial Officer. In view of his experience and his contribution in the business development and growth of the Company, the Board of Directors appointed him as an Additional Director in the Company at its meeting held on 10th August 2020, pursuant to provisions of Article 101 of the Articles of Association of the Company, Section 161 of the Companies Act, 2013, recommendations of Nomination and Remuneration Committee and approval of Audit Committee. He will hold office only up to the date of this Annual General Meeting of the Company.

As required under Section 160 of the above Act, a notice has been received from a member signifying his intention to propose him as a candidate for

the office of Director subject to retirement by rotation. Shri Sharda, holding a degree of Bachelor of Commerce (B.Com) has been associated with the Company for a very long time and has in depth knowledge of textile industry. The Board of Directors recommends that the resolution set out at Item no. 6 relating to appointment of Shri Sharda as a Director, be passed as an Ordinary Resolution.

Shri Sharda is not a Director of any other Company and is not a member of Audit Committee or Stakeholders Relationship Committee of any listed Company. He is also not holding any shares in the Company.

Except Shri Sharda, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

ITEM NO. 7

Shri Shive Bhagwan Sharda (DIN 08832160), aged 70 years, is associated with the Company since past 28 years and is currently working in the Company as President and Chief Financial Officer. In view of his experience and his contribution in the business development and growth of the Company. The Board of Directors of the Company at their meeting held on 10.08.2020, in terms of the Articles of Association of the Company and pursuant to the recommendations of the Nomination and Remuneration Committee, approval of the Audit Committee and subject to the approval of the members, has recommended appointment of Shri Shive Bhagwan Sharda as a Whole-time Director for a period of three years commencing from 1st October, 2020. He will continue to discharge the responsibilities of Chief Financial Officer.

The Company has not committed any default in repayment of any of its debts or interest payable thereon for a continuous period of thirty days in the preceding financial year and confirmation to this effect has been obtained from secured creditors of the Company.

Shri Sharda, holding a degree of Bachelor of Commerce (B.Com) has been associated with the Company for a very long time and has in depth knowledge of textile industry.

The Board of Directors recommends that the resolution set out at Item no. 7 relating to appointment of Shri Sharda as a Whole Time Director, be passed as a Special Resolution.

Shri Sharda is not a Director of any other Company and is not a member of Audit Committee or Stakeholders Relationship Committee of any listed Company. He is also not holding any shares in the Company.

The Principle terms and conditions of his appointment are as follows:-

1. Tenure of Appointment

The appointment of Shri Shive Bhagwan Sharda is for a period of three years with effect from 1st October 2020 till 30th September 2023.

2. Remuneration.

Shri Shive Bhagwan Sharda shall be paid remunerations as per the terms and conditions given below.

Basic Salary: ₹ 2,60,000/- per month with annual increment as may be decided by the Board of Directors on the recommendations of the Nomination and Remuneration Committee.

Shri Sharda will not be entitled to any sitting fee for attending Meetings of the Board of Directors or any Committee thereof.

Other Benefits:

I Perquisites/ Allowances as per the per the policy of the Company and/or which may become applicable in future as the Board may from time to time decide on the recommendations of the Nomination and Remuneration Committee.

3) Medical Reimbursement:

Reimbursement of medical expenses incurred by the Managing Director for the medical treatment for self and dependent family members as per the policy of the Company.

II Perquisites/ Allowances which shall not be considered in computation of ceilings of remuneration specified in relevant schedule to the Companies Act in force-

- i) Contribution to Provident Fund, superannuation fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- iii) Encashment of leave at the end of the tenure,

III Provision of car with driver and telephone at residence for use for Company's business will not be considered perquisites.

IV Reimbursement of entertainment, travelling and related expenses and electronic communication facilities by all available modes incurred for the business of the Company.

VI Remuneration to Shri Shive Bhagwan Sharda may be revised and altered in any manner as the Board may deem fit during his tenure and no further consent of the shareholders be taken if the new remuneration after such revision and alteration does not exceed the limits as stipulated in Section 197 read with Schedule V to the Companies Act 2013.

VII **Overall Remuneration :** The aggregate of Salary, allowances and perquisites in any one financial year shall not exceed the limits prescribed under section 197 read with schedule V of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as may be for the time being in force.

3. Other Terms of Appointment

- i) Shri Shive Bhagwan Sharda shall, subject to the superintendence, control and direction of the Board, perform and discharge such duties and responsibilities as may be entrusted to him by the Board of Directors.
- ii) The appointment may be terminated by either party by giving three months' notice in writing to the other party.
- iii) The period of office of Shri Shive Bhagwan Sharda shall be liable to determination

by retirement of Directors by rotation. If Shri Sharda is re-appointed as a Director, immediately on retirement by rotation he shall continue to hold office of Whole-time Director and such re-appointment as Director shall not be deemed to constitute break in his appointment as a Whole-time Director”.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956), the Board recommends the Special Resolution set out at item no. 7 of the accompanying Notice for the approval of the Members. The appointment of Shri Sharda is appropriate and in the best interest of the Company.

The Register maintained in pursuance of Section 189 of the Companies Act, 2013 (erstwhile section 301 of the Companies Act, 1956) referred below, would be available for inspection by the members at the Registered Office of the Company during normal business

hours on any working day, excluding Saturday, up to and including the date of the Annual General Meeting.

This Explanatory Statement together with the annexure accompanying Notice may also be regarded as a disclosure under Regulation 36 of the Listing Regulations.

The above may be treated as a written memorandum setting out the terms of payment of remuneration to Shri Shive Bhagwan Sharda under Section 190 of the Companies Act, 2013.

The above may also be treated as Disclosure required under Section 196 (4) of the Act, 2013, and Secretarial Standard-2.

The Directors commend the Resolution as set out at Item no. 7 for the approval of the members of the Company as a Special Resolution.

Except Shri Sharda, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

Further information on Item no. 7

III. General Information

Nature of Industry	:	Manufacture and Sale of Synthetic Yarn
Date or expected date of commencement of Commercial Production	:	13.08.1982
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	:	Not Applicable
Financial performance based on given indicators (for the year 2019-20)	:	Sales & other income : ₹ 46397.96 Lacs Profit/(Loss) after Tax : ₹ 1488.51 Lacs Rate of Dividend : 15% Earning per Share : ₹ 20.70
Foreign investments or collaborators, if any	:	As on date, the Company has no foreign collaborations.

IV Information about the Shri Shive Bhagwan Sharda

Background details	Shri Shive Bhagwan Sharda (DIN 08832160), aged 70 years, is associated with the Company since past 28 years and is currently working in the Company as President and Chief Financial Officer. In view of his experience and his contribution in the business development and growth of the Company.
Past remuneration	During 2019-20, he drew total ₹ 47.05 Lacs including perquisites as remuneration in his capacity as Chief Financial Officer.
Recognition or awards	--
Job profile and his suitability	Shri Sharda is a very good leader. He has spent about 28 years in this Company and has in depth knowledge of Textile Industry. He manages all the departments of the Company very well.
Remuneration proposed	As mentioned in the Resolution.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Considering the responsibility shouldered by him & high levels of remuneration prevailing in the textile industry for such position, the Remuneration proposed is considered reasonable.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Except the remuneration and perquisites stated above, Shri Sharda, has no other direct or indirect pecuniary relationship with the Company.

V. Other Information

Sluggish market conditions and Covid 19 has brought about slowdown in the business of the Company, due to shortage of labour, less demand, crisis in receipt of payment, etc. The key priorities of the Company are to closely monitor costs, optimize the use of financial resources while continuing to invest in some of the growth areas. The Company expects revival in the second half of the year. The capital expenditure planned by the Company during the current year shall result in substantial savings in cost of production, which will also add to productivity and profit margin of the Company. The Company is taking all necessary measures in terms of mitigating the impact of the challenges posed due to Covid 19.

II. DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING FIXED ON THURSDAY, 10TH SEPTEMBER 2020 AS REQUIRED UNDER REGULATION 36(3) OF THE LISTING REGULATIONS:

Name of Director	Shri Pradip Kumar Daga	Shri Yashwant Kumar Daga	Shri Shive Bhagwan Sharda
Director Identification Number (DIN)	00040692	00040632	08832160
Date of Birth	24-04-1937	07.03.1961	30.06.1950
Date of Appointment	25-03-1982	19-02-1998	12.08.2020
Qualification	B.Com (Hon's)	B.Com. (Hon's)	B.Com
Number of Board Meetings attended during the year	4	5	---
No. of Shares held by him in the Company (As on 31.03.2020)	5,55,108 equity shares of ₹ 10/- each (includes shares held by him as Karta of Pradip Kumar Daga HUF)	2,93,283 equity shares of ₹ 10/- each (includes shares held by him as Karta of Yashwant Kumar Daga HUF)	---
Experience in Specific Functional Area	Industrialist with rich and varied business experience in the field of textiles, engineering, tea, etc.	Industrialist with rich and varied experience in Tea, Textiles, Spinning, Renewable Power & Engineering.	Rich and in depth experience in Textile Industry.
List of other Directorships held	1. Deepak Gears Pvt. Ltd. 2. Longview Tea Company Limited 3. Deepak Industries Ltd.	1. Brua Hydrowatt Pvt.Ltd. 2. Contransys Pvt. Ltd. 3. Deepak Gears Limited 4. Longview Tea Co. Ltd. 5. Merlin Holdings Pvt. Ltd. 6. Narsingh Holdings Pvt. Ltd. 7. HGI Industries Ltd. 8. Mint Investments Limited 9. The Magadh Sugar & Energy Limited 10. Deepak Industries Limited	---
Chairman/Member of the Committees of Board of Directors of the Company#	Nil	Audit Committee (Member) Stakeholders Relationship Committee (Member)	---
Chairman/Member of the Committees of Board of Directors of other Companies in which he is a Director#	1. Longview Tea Company Limited (Member – Audit Committee)	1. HGI Industries Limited Audit Committee – Member Stakeholders' Relationship Committee – Member 2. Mint Investments Limited Audit Committee – Member Stakeholders' Relationship Committee – Member 3. Magadh Sugar & Energy Limited Audit Committee – Member Stakeholders' Relationship Committee – Member 4. Longview Tea Co. Ltd. Stakeholders' Relationship Committee – Chairman 5. Deepak Industries Limited Audit Committee - Member	---
Relationship between Directors and other Key Managerial Personnel	Related to Shri Yashwant Kumar Daga as father.	Related to Shri Pradip Kumar Daga as son.	---

Terms and conditions of appointment / reappointment along with details of remuneration last drawn by such person	Terms and conditions of reappointment are as per Nomination and Remuneration Policy of the Company and shareholders resolution passed in Annual General Meeting held on 31 st August 2017. Remuneration for the financial year 2019-20 was Rs. 84.56 Lacs.	Eligible for sitting fees and commission as approved by Board of Directors.	Terms and conditions of reappointment are as per Nomination and Remuneration Policy of the Company and shareholders resolution to be passed in the forthcoming Annual General Meeting. Remuneration for the financial year 2019-20 was ₹ 47.05 Lacs in his capacity as Chief Financial Officer.
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Committee positions only in Audit Committee and Stakeholders Relationship Committee in Public Companies have been considered.

By Order of the Board

Place: Chandigarh
Date: 12.08.2020

PUNEETA ARORA
COMPANY SECRETARY
FCS - 7466
