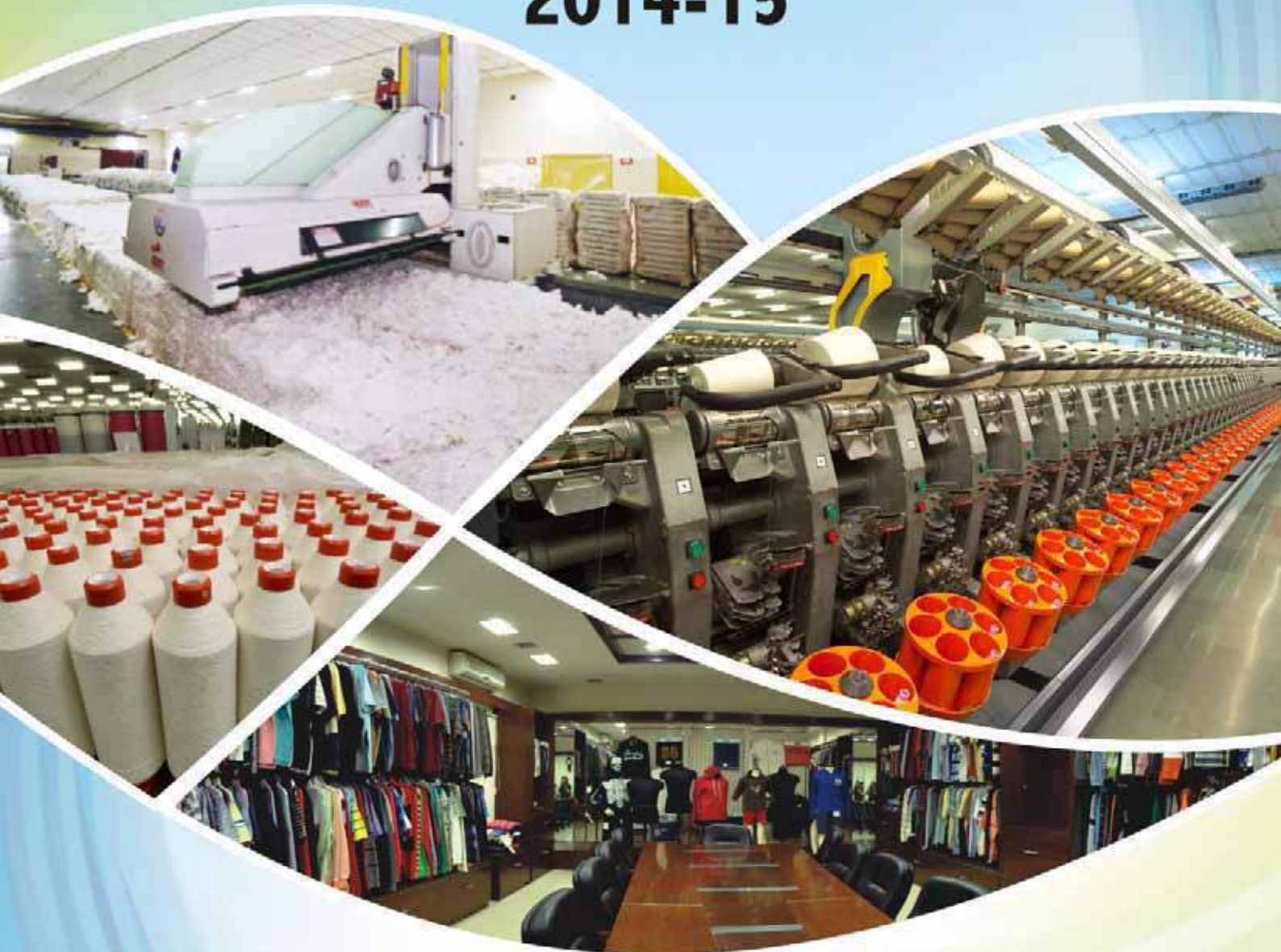




The Nahar Group

35th ANNUAL REPORT

2014-15



Nahar SPINNING MILLS LIMITED

BOARD OF DIRECTORS

Sh. Jawahar Lal Oswal

Sh. Dinesh Oswal
Sh. Kamal Oswal
Sh. Dinesh Gogna
Sh. Satish Kumar Sharma
Dr. (Mrs.) H.K. Bal
Prof. Kanwar Sain Maini
Dr. Suresh Kumar Singla
Dr. Amrik Singh Sohi
Dr. Yash Paul Sachdeva

Chairman

Managing Director
Director
Director
Director
Independent Director
Independent Director
Independent Director
Independent Director
Independent Director

CHEIF FINANCIAL OFFICER

Sh. Anil Garg

FINANCIAL CONTROLLER

Sh. P. K. Vashishth

COMPANY SECRETARY

Sh. Brij Sharma

AUDITORS

M/s. Gupta Vigg & Co., Chartered Accountants
101, Kismat Complex, G.T. Road, Miller Ganj, Ludhiana-141 003.

| | | |
|--------------------------|---|---|
| PRINCIPAL BANKERS | : | Punjab National Bank, State Bank of India |
| REGD. OFFICE | : | 373, Industrial Area- 'A', Ludhiana-141 003 |
| WORKS | : | 427, Industrial Area - 'A', Ludhiana (Punjab) Dhandari Kalan, G.T. Road, Ludhiana (Punjab) Village Simrai, Mandideep, Distt. Raisen (M.P.) Village Lalru and Lehli, Distt. S.A.S. Nagar (Punjab) Village Jalalpur, Distt. S.A.S. Nagar (Punjab) Rishab Spinning Mills, Village Jodhan, Distt. Ludhiana Nahar Fibres, Jitwal Kalan, Malerkotla, Distt. Sangrur |

35th ANNUAL GENERAL MEETING

Day : Wednesday
Date : 30th September, 2015
Time : 11.30 A.M.
Place : At the Premises of
Nahar Industrial Enterprises
Limited, Focal Point, Ludhiana

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Save Tree Save Earth

Green Initiative

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies. Your Company has decided to join the MCA in its environmental friendly initiative.

Henceforth, the Company proposes to send documents such as Notice of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register/update their latest e-mail addresses with their Depository Participant (D.P.) with whom they are having Demat A/c or send the same to the Company via e-mail at:-secnsm@owmnaahar.com or gredressalnsml@owmnaahar.com.

We solicit your valuable co-operation and support in our endeavor to contribute our bit to the environment.

**NOTICE**

Notice is hereby given that the **Thirty Fifth Annual General Meeting** of the members of **NAHAR SPINNING MILLS LIMITED** will be held on **Wednesday, 30th Day of September, 2015 at 11:30 A.M.** at the premises of M/s Nahar Industrial Enterprises Limited, Focal point, Ludhiana to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2015 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a director in place of Mr. Dinesh Gogna (DIN 00498670), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. Kamal Oswal (DIN 00493213), who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, M/s. Gupta Vigg & Co., Chartered Accountants (Registration No. 001393N), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Director of the Company.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification (s) or re-enactment (s) for the time being in force, consent and approval of the members be and is hereby accorded for the payment of remuneration of Rs. 1.50 Lacs (Rupees One Lakh

Fifty Thousand Only) to M/s. Ramanath Iyer & Co., Cost Accountants (Membership No. 000019), appointed as Cost Auditors by the Board of Directors of the Company to conduct an audit of the Cost Records of the Company for the financial year ending March 31, 2016”.

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

BY ORDER OF THE BOARD**BRIJ SHARMA****DATED: 5th August, 2015 (Company Secretary)****Regd. Office:****373, Industrial Area-A,****Ludhiana-141003****CIN: L17115PB1980PLC004341****E-mail: secnsm@owmnahar.com****NOTES :**

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

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

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The statement pursuant to Section 102(1) of Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto and form part of this notice.
4. The Route Map to reach the venue of the Annual



General Meeting including prominent land mark for easy location, is provided at the end of Annual Report.

5. The Register of Members and Share Transfer Register of the Company shall remain closed from 12th September, 2015 to 22nd September, 2015 (both days inclusive).
6. The dividend on equity shares as recommended by the Board of Directors, if approved at the Annual General Meeting will be paid to the members, whose names appear in Register of members as on 11th September, 2015 or Register of beneficial owners, maintained by the Depositories at the close of 11th September, 2015.
7. Pursuant to Section 205C of the Companies Act, 1956, all unclaimed dividends up to the financial year 2006-07 has been transferred to Investor Education and Protection Fund. Further unpaid dividend for the year 2007-08 is to be transferred to Investor Education and Protection Fund pursuant to Section 205C of the Companies Act, 1956 in November, 2015. Shareholders who have not encashed their dividend warrants relating to the said period are requested to claim the amount from the Company at the earliest.
8. The bank Account particulars of the members will be printed on the dividend warrants. Members holding shares in physical form are requested to immediately notify change in their address/Bank details to the Company's Share Transfer Agent, M/s Alankit Assignments Limited or to the Company's Registered Office at 373, Industrial Area-A, Ludhiana – 141 003.
Members holding shares in electronic form are requested to notify change in their address/Bank details to their Depository Participants before 11th September, 2015.
9. Since the Company's shares are in compulsory demat trading, to ensure better service and elimination of risk of holding shares in physical form, we request shareholders holding shares in physical form to dematerialize their shares at the earliest.
10. The documents referred to in Explanatory Statement are open for inspection at the Registered Office of the Company on any working day (except Saturday and Holiday) between 10:00 A.M. To 12:00 Noon upto the date of Annual General Meeting.
11. Electronic copy of the Annual Report for the year 2014-2015 is being sent to all the members whose email Ids are registered with the Company/ Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report

is being sent in the permitted mode.

Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.

12. Members seeking any information with regard to Annual Accounts at the time of meeting are requested to send their queries to the Company at least 7 days before the date of meeting so as to enable the management to keep the relevant information ready.
 13. To avail the facility of nomination, Members are requested to send us duly filled and signed Nomination Form (Form No. SH-13)
 14. The information required to be provided under clause 49 of the Listing Agreement entered into with the Stock Exchanges, regarding the Directors who are proposed to be re-appointed is given hereunder and form part of the Notice.
 15. The Register under Section 189 (4) of the Companies Act, 2013 shall be produced at the commencement of the meeting and shall remain open and accessible during the continuance of the meeting.
 16. In compliance with provision of Clause 35B of the Listing Agreement as well as Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2015, the Company is providing facility for voting by electronic means and the business contained in this Notice shall be transacted through such voting. For this purpose, the Company has engaged the services of M/s. Central Depositories Services (India) Ltd. (CDSL) for providing e-voting facility to enable the shareholders to cast their votes electronically.
 17. Notice of the 35th Annual General Meeting and the Annual Report for the financial year 2014-15 will also be available on the Company's website i.e. www.owmnaahar.com. The above said Notice will also be available on the website of CDSL i.e. www.cdslindia.com.
 18. The facility for voting via ballot or polling paper shall also be made available at the meeting and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
 19. The members who have cast their vote by remote e-voting prior to meeting may also attend the meeting but shall not be entitled to cast their vote again.
- 20. Instructions for Voting through electronic mode:-**
1. The voting period begins on 27th September, 2015 (9:00 A.M.) and ends on 29th September, 2015 (5:00 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off



date, Wednesday, 23rd September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

2. The shareholders should log on to the e-voting website www.evotingindia.com.
3. Click on "Shareholders" tab.
4. 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.
5. Next enter the Image Verification as displayed and Click on Login.
6. 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.
7. If you are a first time user, follow the steps given below:-

| | |
|--|---|
| | For members holding shares in demat 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. Sequence number is printed on Attendance Slip.● 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 (4). |

8. After entering these details appropriately, click on "SUBMIT" tab.
9. 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 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.
10. For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice of ensuing Annual General Meeting of the Company.
11. Click on the EVSN for <NAHAR SPINNING MILLS LIMITED> to vote.
12. 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.
13. Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
14. 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.
15. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote or cast the vote again.
16. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
17. 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.
18. Note for Non-Individual Shareholders and custodians
 - a) Non-Individual shareholders (i.e. other than



Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to:
helpdesk.evoting@cdslindia.com.
 - c) After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - d) A scanned copy of the Board Resolution/ 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.
 - e) The list of accounts should be e-mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
19. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Wednesday, 23rd September, 2015 may follow the same instructions as mentioned above for e-Voting.
20. 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. The help desk can also be contacted at 1800-200-5533.
21. Name, designation, address, e-mail ID and phone number of the person responsible to address the grievances connected with the e-voting:
Mr. Brij Sharma
Company Secretary and Compliance Officer
373, Industrial Area-A, Ludhiana - 141003
0161-2665000
secnsm@owmnahar.com
- Other instructions:**
22. Voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on cut off date.
23. Mr. P.S. Bathla, Practising Company Secretary

(Membership No. FCS 4391), will act as a Scrutinizer to the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process).

24. The Scrutinizer shall immediately after the conclusion of Annual General Meeting first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in the favour or against, if any, forthwith to the Chairman of the Company.
25. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.owmnahar.com and on the website of CDSL www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.
26. Subject to the receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of the 35th Annual General Meeting i.e. 30th September, 2015.
27. A person who is not a Member as on the cut off date i.e. 23rd September, 2015 should treat this Notice for information purposes only.

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

The following statement sets out all material facts relating to the Special Business mentioned under Item No. 6 of the accompanying Notice:

ITEM NO. 6

As per the provisions of Companies (Cost Records and Audit) Amendment Rules, 2014 notified by MCA vide its Notification dated 31st December, 2014, Company's activities fall within the purview of Cost Audit requirement. Accordingly the Board, at its meeting held on 30th May, 2015 on the recommendation of Audit Committee approved the appointment and remuneration of Rs. 1.50 Lacs (Rupees One Lakh Fifty Thousand only) of M/s Ramanath Iyer & Co., Cost Accountants (Firm Registration No. 000019) for conducting the Cost Audit of the cost records of the company.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the Cost Auditor is required



to be ratified by the shareholders of the Company. Accordingly consent and approval of the shareholders is being sought for the payment of remuneration to M/s. Ramanath Iyer & Co., Cost Accountants(Firm Registration No. 000019).

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

The Board recommends the Resolution for your approval.

Information pursuant to Corporate Governance Clause of the Listing Agreement regarding Director seeking re-appointment.

As required under the listing agreement, the particulars of Directors who are proposed to be re-appointed are given below:

| | |
|----------------|--|
| 1. Name | : Mr. Dinesh Gogna |
| Age | : 62 Years |
| Qualification | : B.A., LL.B. |
| Expertise | : Having more than 38 years of experience in Corporate Finance and Taxation. |
| Shareholding | : Nil |

His Directorships/membership in the committee of the Board in other Companies:

| Name of the Company | Committee | Status |
|---|---------------------------|----------|
| 1. Nahar Poly Films Ltd. | Audit | Member |
| 2. Oswal Woollen Mills Ltd. | Audit | Member |
| | Shareholders | Member |
| 3. Monte Carlo Fashions Ltd. | Audit | Member |
| | Stakeholders | Chairman |
| | Relationship | |
| | Nomination & Remuneration | Member |
| 4. Girnar Investments Ltd. | - | - |
| 5. Oswal Leasing Limited | - | - |
| 6. Nahar Industrial Enterprises Limited | Audit | Member |
| | Stakeholders | Chairman |
| | Relationship | |
| 7. Nahar Capital & Financial Service Ltd. | - | - |
| 8. Crown Star Ltd. (U.K.) | - | - |
| 9. Cotton County Retail Ltd. | - | - |

| | |
|----------------|---|
| 2. Name | : Mr. Kamal Oswal |
| Age | : 53 Years |
| Qualification | : Commerce Graduate |
| Expertise | : Having more than 33 years experience in Textile and Woollen Industry. |
| Shareholding | : 24750 |

Mr. Jawahar Lal Oswal is father of Mr. Kamal Oswal and Mr. Dinesh Oswal. Mr. Kamal Oswal and Mr. Dinesh Oswal are brothers.

His Directorships/membership in the committee of the Board in other Companies:

| Name of the Company | Committee | Status |
|---|---------------------------|----------|
| 1. Nahar Industrial Enterprises Ltd. | Stakeholders Relationship | Member |
| 2. Oswal Woollen Mills Ltd. | - | - |
| 3. Nahar Poly Films Ltd. | - | - |
| 4. Nahar Industrial Infrastructure Corporation Ltd. | - | - |
| 5. Cotton County Retail Ltd. | Nomination & Remuneration | Chairman |
| 6. Oswal Leasing Ltd. | - | - |
| 7. Sankheshwar Holdings Co. Ltd. | - | - |
| 8. Nahar Capital & Financial Services Ltd. | - | - |
| 9. Vardhman Investment Ltd. | - | - |
| 10. Crown Star Ltd. (U.K.) | - | - |
| 11. Neha Credit and Invt. (P) Ltd. | - | - |
| 12. Abhilash Growth Fund (P) Ltd. | - | - |
| 13. Nahar Growth Fund (P) Ltd. | - | - |

BY ORDER OF THE BOARD

BRIJ SHARMA

(Company Secretary)

DATED: 5th August, 2015

Regd. Office:

**373, Industrial Area-A,
Ludhiana-141003**

CIN: L17115PB1980PLC004341

E-mail: secnsm@owmnahar.com



DIRECTORS REPORT

Dear Members,

Your Directors have pleasure in presenting the **THIRTY FIFTH ANNUAL REPORT** on the affairs of the Company for the year ended 31st March, 2015.

FINANCIAL PERFORMANCE

Your Company's Financial Performance during the year is summarised below:

| PARTICULARS | (Rs. In crores) | |
|--|-----------------|---------------|
| | CURRENT YEAR | PREVIOUS YEAR |
| Profit for the year before TAX & DEPRECIATION | 145.40 | 292.66 |
| Less: Depreciation | 130.56 | 88.16 |
| Provision for Taxation | 3.35 | 43.25 |
| Provision for Deferred Tax | -8.88 | 15.50 |
| | 125.03 | 146.91 |
| Profit/Loss after tax | 20.37 | 145.75 |
| Adjustment of Income Tax of Earlier years | 0.16 | 0.45 |
| Amount available for appropriation | 20.21 | 145.30 |
| APPROPRIATION | | |
| Proposed Dividend | 3.61 | 3.61 |
| Tax on Distributed profits | 0.73 | 0.61 |
| Transfer to General Reserve | 15.00 | 90.00 |
| Balance at the end | 0.87 | 51.08 |
| | 20.21 | 145.30 |

OPERATIONAL REVIEW AND STATE OF AFFAIR

We would like to inform you that Company operates in a single segment i.e. "TEXTILE" as such disclosure requirements as per Accounting Standard AS 17 issued by the Institute of Chartered Accountants of India, New Delhi, are not applicable.

First of all we would like to inform you that Company's expansion cum modernization project has been completed during the year. After the said expansion, Company's spindlage capacity stands increased to 5 Lakh (Approx.) spindles and 1080 Rotors. Thus your Company has positioned itself as one of the leading integrated Textile player to reap the benefits of economies of scale.

During the year under review, your Company performed reasonably well, in spite of a challenging year for the Textile Industry. The Company achieved a total income of Rs. 2160.91 crores as against Rs. 2211.15 crores showing a marginal fall. The company achieved an export turnover of 1393.20 crores which constitutes 64.81% of the revenue of the Company. The Company's excellent export performance has also been recognised by the TEXPROCIL by awarding Silver Trophy for highest export of Yarns (50s & below) for the year 2013-14.

However the Company's financial performance was severely affected because of lack luster global demand, volatility in the exchange rates and very thin margins and the Company could earn a Profit (before tax and

depreciation) of Rs.145.40 crores as against Rs. 292.66 crores in the previous year. The depreciation for the year has also risen to Rs. 130.56 crores as against Rs. 88.16 crores in the previous year because of change in the method of depreciation which is on the basis of useful life of the assets as specified under Schedule II of the Act. The said change in depreciation, affected company's profitability during the year. The company earned a Profit before tax of Rs.14.84 Crores. After providing for taxation of Rs. 3.35 crores and adjustment of deferred tax of Rs. -8.88 crores, the Company earned a net profit of Rs. 20.37 crores during the year.

TRANSFER TO RESERVE

After appropriations of profit as per the detail hereinabove, an amount of Rs. 15.00 crores has been transferred to General Reserve thereby increasing Company's Reserves to Rs. 465.58 crores as on 31st March, 2015.

DIVIDEND

Your Directors are pleased to recommend a dividend @ 20% (i.e. Re. 1 per equity shares of Rs. 5/- each) on paid up share capital for the year ended 31st March 2015.

The dividend, if approved at the forthcoming Annual General Meeting, will be paid out of the profits of the company to all those shareholders whose names shall appear in the Register of Members on 11th September, 2015 or Register of Beneficial Owners, maintained by the Depositories as at the close of 11th September, 2015.

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Section 205C of the Companies Act, 1956 the Company has transferred an amount of Rs. 2672519.00 (Rupees Twenty Six Lakh Seventy Two Thousand Five Hundred Nineteen only) being the amount of unclaimed dividend for the year 2006-2007 to the Investor Education and Protection Fund. Further, unpaid dividend for the year 2007-08 shall be transferred to Investor Education and Protection Fund pursuant to section 205C of the Companies Act, 1956 in November, 2015.

DECLARATION UNDER SECTION 149(6)

The Independent Directors have submitted their declaration to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the rules made thereunder.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to section 152(6) of the Companies Act, 2013 and Article 117 of Article of Association of the Company, Sh. Dinesh Gogna (00498670) and Sh. Kamal Oswal (DIN 00493213) will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The board has recommended their re-appointment to the members of



the Company at the ensuing Annual General Meeting. During the year, the members approved the appointment of Dr. (Mrs.) H.K. Bal, Dr. Y.P. Sachdeva, Dr. A.S. Sohi, Prof. K.S. Maini and Dr. S.K. Singla as Independent Directors not liable to retire by rotation.

Further the Board appointed Mr. Anil Kumar Garg, who is a qualified Chartered Accountant, having Membership No. 83312 of the Institute of Chartered Accountants of India, as Chief Financial Officer of the Company under the category of Key Managerial Personnel. The Board also approved the inclusion of Sh. Dinesh Oswal, Managing Director and Sh. Brij Sharma, Company Secretary of the Company under the category of Key Managerial Personnel pursuant to Section 203 of the Companies Act, 2013.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board carried out a formal Annual performance evaluation of its own, Board Committees and individual Directors as per the criteria laid down by the Nomination and Remuneration Committee of the Company.

The Board evaluation was carried out through a structured evaluation process to evaluate the performance of individual Directors including the Chairman of the Board. They were evaluated on parameters such as their education, knowledge, experience, expertise, skills, behaviour, leadership qualities, level of engagement and contribution, independence of judgement, decision making ability for safeguarding the interest of the Company, stakeholders and its shareholders. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Board was satisfied with the evaluation process and the results thereof.

APPOINTMENT AND REMUNERATION POLICY

The Board, on the recommendation of the Nomination & Remuneration Committee has framed a policy for Appointment and Remuneration of Directors, Senior Management and other employees as provided under Section 178(3) of the Companies Act, 2013. The Appointment and Remuneration Policy of the Company is annexed hereto as Annexure – I and form part of this report.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors held their meeting on 15th December, 2014, without the attendance of Non Independent Directors and members of the management. All Independent Directors were present at the meeting. At the meeting, they:-

- i. Reviewed the performance of non-independent directors and the Board as a whole;

- ii. Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- iii. Assessed the quality and timeliness of flow of information between the Company management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

The Company at the time of appointing a Director, issues a formal letter of appointment which inter alia, explains the role, functions, duties and responsibilities expected from him/her as a Director of the Company. All Independent Directors are provided with copies of all policies/Guidelines as framed by the Company under various statutes and Listing Agreement to familiarize with Company's procedure and practices. Further, to update them on the regular basis, the Company provide copies of all amendments in Corporate Laws, Corporate Governance Rules and Listing Agreement. The details of the Company's policy on Familiarisation Programme for Independent Directors is posted on the website of the Company and can be assessed at:

<http://www.owmnahar.com/nsml/>

BOARD MEETINGS

During the year under review, the Board of Directors met four times i.e. 29th May, 2014, 11th August, 2014, 12th November, 2014 and 3rd February, 2015 with a predefined agenda circulated well in advance. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Your company is engaged in the Manufacture & Exports of Yarns and knitted garments. Because of nature of Industry, sometimes sale/ purchase/ fabrication job transactions takes place between the Group Companies (which are public limited companies), in the ordinary course of business at Arm's length basis. The Company has not entered into any contract or arrangement with the related parties as referred in Section 188(1) of the Companies Act, 2013. Thus the requirement for disclosure of particulars of contracts or arrangement with related parties referred to in Section 188(1) is not applicable. However, as per Company's policy, all the transactions with the Group Companies are placed before the Audit Committee as well as the Board, for their information and approval.

We also wish to inform you that there are no material related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict



of interest with the Company at large.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report.

SHARE CAPITAL

The Paid up equity share capital of the Company as on 31st March, 2015 is Rs.1803.27 Lacs. During the year under review Company has neither issued any shares with differential rights as to dividend, voting or otherwise nor granted any stock options or sweat equity under any scheme.

SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

PARTICULARS OF LOANS, INVESTMENTS, GUARANTEES UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note No. 10, 11, 12, 16(A), 25(a)&(f) to the Financial Statements.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to provisions of Section 135 of the Companies Act, 2013, the Board in their meeting held on 29th May 2014, constituted Corporate Social Responsibility Committee (herein after referred to as CSR Committee) comprising of three Directors namely Sh. Dinesh Oswal, as Chairman, Dr. S.K. Singla and Sh. Dinesh Gogna, as members. The term of reference of CSR Committee are:-

1. To formulate and recommend to the Board CSR Policy specifying therein the activities to be undertaken by the Company as laid down in Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.
2. To Recommend the amount of expenditure to be incurred on the CSR activities.
3. To Monitor the Company's CSR Policy and implementation of CSR projects from time to time.

The CSR Committee formulated CSR Policy and recommended to the Board to undertake CSR activities in collaboration with Group Companies under one umbrella i.e. through Oswal Foundation, which is a

Registered Society formed in 2006, having its charitable objects in various fields. The Company has started contributing the sum for the expenditure to be incurred by Oswal Foundation for CSR activities. The Oswal Foundation is undertaking the project to 'maintain the quality of soil and water' on Sidhwan Canal, Ludhiana. Besides, the said foundation has also adopted two Government Schools situated in Ludhiana district. for 'promoting education'. The Company's CSR Policy is available on its website i.e. www.owmnaahar.com. The disclosure relating to the CSR activities pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 9 of the Companies (Accounts) Rules, 2014 and Companies (Corporate Social Responsibility) Rules, 2014 is annexed hereto as "Annexure II" and form part of this Report.

AUDIT COMMITTEE

As required under Section 177 of the Companies Act, 2013, the Board of Directors have already constituted Audit Committee consisting of Prof. K.S. Maini as Chairman, Sh. Dinesh Gogna and Dr. S.K. Singla, Directors as members. Mr. Brij Sharma is the Secretary of the Committee. The Committee held four meetings during the year under review.

VIGIL MECHANISM

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the Company established a Vigil Mechanism process as an extension of Company's Code of Conduct whereby any employee, directors, customers, vendors etc., can report the genuine concerns or grievances to the members of the Committee about unethical behaviour, actual or suspected, fraud or violation of Company's Code of Conduct so that appropriate action can be taken to safeguard the interest of the Company. The Mechanism also provides for adequate safeguards against victimisation of persons who uses such mechanism. The mechanism provide direct access to the chairperson/ chairman of the Audit Committee in appropriate or exceptional cases. The Vigil Mechanism/Whistle Blower Policy is also posted on Company's Website. The Company has a dedicated e-mail address i.e. whistleblowersmml@owmnaahar.com for reporting the genuine concerns.

The Audit Committee regularly review the working of the Mechanism. No complaint was received during the year under review.

CREDIT RATING

We are pleased to inform that the Credit Rating Information Services of India Ltd. (CRISIL) has re-affirmed the credit rating "A" for long term debt instruments/ facilities and "A1" for the short term debt



instruments/ facilities of the Company. The rating "A" indicates stable and rating "A1" indicates very strong degree of safety regarding timely payment of the financial obligations.

GREEN INITIATIVE

The Ministry of Corporate Affairs (MCA) vide Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies. Further, as per the provisions of Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company may send financial statements and other documents by electronic mode to its members. Your Company has decided to join the MCA in its environment friendly initiative.

Accordingly, henceforth Company propose to send documents such as notices of General Meetings, Annual Report and other communications to its shareholders via electronic mode to the registered E-mail addresses of the shareholders. To support this green initiative of the Government in full measure shareholders are requested to register/update their latest E-mail addresses with their Depository Participant(D.P.) with whom they are having Demat Account or send the same to the Company via E-mail at:- secnsm@owmnahar.com or gregatednsm@owmnahar.com. We solicit your valuable co-operation and support in our endeavour to contribute our bit to the Environment.

LISTING OF SECURITIES

The securities of the company are presently listed on the following Stock Exchanges:

- i. The Bombay Stock Exchange Ltd., 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai.
- ii. The National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No.C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai

The Company has paid listing fee to both the Stock Exchanges for the financial year 2015-16.

DEMATERIALISATION OF SECURITIES

As the members must be aware that company's securities are tradable compulsorily in electronic form w.e.f. 21st March, 2000. Your Company has already established connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository services (India) Limited (CDSL) to facilitate the holding and trading of securities in electronic form. As on date 95.17% of the total Equity Share Capital of the Company has been dematerialised. The shareholders who have not gone in for dematerialisation

of shares till date, are requested to opt for dematerialisation of the shares at the earliest.

Further as per SEBI circular no. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, Company has appointed M/s Alankit Assignments Ltd. as Registrar for Share Transfer and Electronic Connectivity. Accordingly all the shareholders, Investors, Members of the Stock Exchanges, Depository Participants and all other concerned are requested to send all communication in respect of Share Transfer, Demat/Remat, Change of Address etc. to our Registrar at below mentioned address:

M/s Alankit Assignments Limited
(Unit: Nahar Spinning Mills Limited)
Alankit House, 2E/21, Jhandewalan Extension
New Delhi – 110 055
Telephone No. : (011) 23541234
Fax No. : (011) 41540064
E-mail address : rta@alankit.com

In case any query/complaint remains unresolved with our Registrar please write to Company Secretary at the Registered Office of the Company.

ENVIRONMENT FRIENDLY CORPORATE ENTITY

As a responsible corporate entity, your company is sensitive to environment also and is contributing a bit to improve the ecological balance by introducing Organic Cotton yarns & Fair Trade Cotton Yarns certified by Control Union Certificate of Netherlands & F.L.O. of Germany. The company is Registered with Clean Development Mechanism (CDM) Executives Board and United Nations Framework Conventions on Climate Change (UNFCCC) Secretariat, Bonn, Germany.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors would like to assure the Members that the financial statements for the year under review, conform in their entirety to the requirements of Companies Act, 2013.

The Directors confirm :

- i) that in preparation of the Annual Accounts, the applicable accounting standards had been followed alongwith proper explanations relating to material departures;
- ii) that they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- iii) that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of this Act, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) that they had prepared the Annual Accounts on a going concern basis;



v) that they had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

vi) that they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS & AUDITOR'S INDEPENDENT REPORT STATUTORY AUDITORS

The members at the Annual General Meeting held on 30th September, 2014, appointed M/s Gupta Vigg and Co., Chartered Accountants (Registration No. 001393N) as Statutory Auditors of the Company to hold the office till the conclusion of 35th Annual General Meeting of the Company. Their period of office will expire at the ensuing Annual General Meeting. They have expressed their willingness for re-appointment as Auditors of the Company and has given a written consent/certificate regarding eligibility for their reappointment as Statutory Auditors in accordance with the Rule 4 of the Companies (Audit and Auditors) Rule, 2014 read with the provisions of section 139(2) of the Companies Act, 2013.

The Board of Directors based on the recommendation of the Audit Committee has proposed the appointment of M/s. Gupta Vigg & Co., as the Statutory Auditors of the Company for a period of one year to hold the office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting.

AUDIT REPORT

The Statutory Auditors have submitted Audit Report on the Accounts of the Company for the Accounting year ended 31st March, 2015. The observations and comments given by Auditors in their Report read together with the Notes to the Accounts are self explanatory and require no comments.

COST AUDITORS

We would like to inform you that the Ministry of Corporate Affairs vide Notification dated 31st December, 2014 amended Companies (Cost Records and Audit) Rules, 2014, pursuant to which, the Company's business activities have been included with in the purview of Cost Audit requirement. Accordingly, the Board of Directors on the recommendation of Audit Committee appointed M/s Ramanathan & Iyer, Cost Accountant, as Cost Auditors of the Company for financial year 2015-16 and has fixed a remuneration of Rs. 1.50 Lacs subject to the ratification of the members as per the provision of Section 148(3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014. A resolution for the ratification of the remuneration of the Cost Auditors by the members at the ensuing Annual General Meeting is being proposed.

SECRETARIAL AUDITOR

The Board, pursuant to the provision of Section 204 of the Companies Act, 2013 read with rule 9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014, has appointed M/s. P.S. Bathla & Associates, Practising Company Secretaries, having Membership No. 2585 to conduct Secretarial Audit for the financial year 2014-15.

M/s. P.S. Bathla & Associates, Practising Company Secretaries have carried out the Secretarial Audit for the financial year ended March 31, 2015 and their Secretarial Audit Report in Form No. MR-3 is annexed hereto as Annexure III and from part of the report.

The Report is self explanatory and require no comments.

BUSINESS RISK MANAGEMENT

The Company has laid down Risk Management Policy to identify, evaluate manage and monitor all types of risks which are associated with the business of the Company. The Board as well as Audit Committee regularly overseas the risk management process in the Company, as required under 134(3)(n) of the Companies Act, 2013 and Clause 49 of the Listing Agreement and suggests steps to be taken to control and mitigate the risks associated with Company's business.

The Company is operating in Textile segment and has identified certain risks which may affects the performance of the Company. These includes operational risks such as fluctuation in cotton prices, fluctuation in foreign exchange rates, Labour problems, regulatory risks, Government Policy with respect to textile etc. We are of the opinion that none of identified risk is such that which may threaten the existence of the Company.

INTERNAL FINANCIAL CONTROL AND SYSTEMS

The Company has an adequate system and Internal Financial Control to ensure that all the assets of the company are safeguarded and protected. The Company's Internal Financial Control System commensurate with the nature of its business and size of its operations. In order to further strength the Internal Control System and to automate the various process of the business, company is making use of Enterprise Resource Planning(ERP).

Pursuant to the provisions of section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Company has also appointed a Chartered Accountant as Internal Auditor for the financial year 2015-16. The Company's Internal Audit Department test the adequacy and effectiveness of Internal Control Systems laid down by the management and suggest improvement in the systems. During the year, Company's Internal Controls were tested and no reportable weakness in the system was observed.

Apart from this, an Audit Committee consisting of three non executive directors has been constituted. All the significant audit observation and follow up action thereon are taken care of by the Audit Committee. The Committee oversee the adequacy of Internal Control. The Audit Committee met four times during the financial year under review. The Company has also established a



Vigil Mechanism as per Section 177(9) of Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014.

WHOLLY OWNED SUBSIDIARY

The Company formed a 100% Wholly Owned Subsidiary in the name of Nahar Spinning Mills (FZE) in Sharjah Airport Free Zone, Sharjah, UAE on 09th December, 2013. The Company did not carry any commercial activity and accordingly the Board in their meeting held on 11th August, 2014 decided to close its 100% Wholly Owned Subsidiary Nahar Spinning Mills (FZE). The Company has already been closed. Accordingly, no Financial Statement of the said Company as required pursuant to the proviso of section 129(3) of the Companies Act, 2013 is attached.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any Public Deposit within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under. There is no outstanding/unclaimed deposit from the public. However, the information as required under Rule 8 of the Companies (Accounts) Rules, 2014 is given hereunder:-

- | | |
|---|------------------|
| (i) Deposits accepted during the year | : Nil |
| (ii) Deposits remained unpaid or unclaimed as at the end of the year | : Nil |
| (iii) Default in repayment of deposits and deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013 | : Not applicable |

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment for women at workplace and has adopted a policy against sexual harassment in line with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. During the financial year 2014-15, the Company has not received any complaints on sexual harassment and hence no complaint remains pending as of 31 March, 2015.

ANNUAL RETURN

Extract of Annual Return, pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 for the Financial year 2014-15 in the Form MGT-9 of the Company is annexed herewith as Annexure IV and form part of this report.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is annexed as "Annexure V" and form part of this report.

Further during the year under review, no employee of the Company was in receipt of remuneration exceeding the limits as provided under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

In terms of section 197(14) of the Companies Act, 2013, the Company does not have any Holding Company. However, the details regarding remuneration received by Managing Director is also given in point VI of the ANNEXURE IV annexed hereto and form part of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The detailed information as required under section 134(3) of the Companies Act, 2013 read with sub-rule 3 of the Rule 8 of the Companies (Accounts) Rules, 2014, is enclosed as per Annexure-VI and forms part of this report.

REPORT ON THE CORPORATE GOVERNANCE

Your Company continues to follow the principles of good Corporate Governance. The company has already constituted several committees of directors to assist the Board in good Corporate Governance. The Corporate Governance Report alongwith the Auditors Certificate regarding compliance of the conditions of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchange, is attached herewith as Annexure-VII and forms part of this Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as stipulated under the clause 49 of the Listing Agreement with the Stock Exchanges in India is enclosed as per annexure-VIII and forms part of this Report.

INDUSTRIAL RELATIONS

The industrial relations remained cordial throughout the year and the excellent results were achieved with the whole hearted co-operation of employees at all levels.

ACKNOWLEDGEMENT

The Board of Directors of the company wish to place on record their thanks and appreciation to all workers, staff members and executives for their contribution to the operations of the company. The Directors are thankful to the Bankers, Financial Institutions for their continued support to the company. The Directors also place on record their sincere thanks to the shareholders for their continued support, co-operation and confidence in the Management of the Company.

FOR AND ON BEHALF OF THE BOARD

**PLACE: LUDHIANA
DATED: 5th August, 2015**

**JAWAHAR LAL OSWAL
(Chairman)
DIN: 00463866**

**APPOINTMENT AND REMUNERATION POLICY****Preamble**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors in their meeting held on 12th November, 2014 approved the Policy for Appointment and Remuneration of Directors, Key Managerial Personnel and other employees as recommended by Nomination and Remuneration Committee. The Policy is guided by the principles pertaining to determining qualifications, positive attributes, integrity and independence etc. as envisaged under Section 178 of the Companies Act 2013. This Policy applies to the Directors, Senior Management Personnel including its Key Managerial Personnel (KMP) and employees of the Company. The Policy is designed to attract, recruit, retain and motivate best available talent. The salient features of the Policy are given hereunder:

APPOINTMENT POLICY**Directors**

The Company's policy is to have a well diversified Board in terms of knowledge, age, experience and expertise so that it can contribute beneficially for the growth of the Company. The appointment of Directors and their cessation are subject to the recommendation of the Nomination and Remuneration Committee (hereinafter referred to as "Committee") and Board of Directors and approval of Shareholders of the Company. However, the casual vacancy in the Board can be filled up by the Board but their appointment is subject to the subsequent approval of Shareholders. The appointment, remuneration and term of Managing Director / Whole Time Director is on the recommendation of the Committee, Board of Directors, approval of shareholders and subject to the limits laid down under the Companies Act from time to time. The approval of Central Government, if required, is sought as per the provisions of Companies Act, 2013 and Rules framed thereunder. The Committee takes into account educational qualifications, knowledge, experience and expertise of the person for appointing him/her as a Director.

Key Managerial Personnel (KMP) and Senior Management

The Nomination and Remuneration Committee recommend the appointment of KMP & senior management and approved by the Board of Directors of the Company, wherever applicable. While selecting and recommending the appointment of KMP & senior management, the Committee takes into account merit, seniority, experience and expertise of the person and applicable provisions of Companies Act, 2013.

Other Employees

The appointment of other employees of the Company is approved by the Managing Director on the recommendation of Department Head/Vice President (Personnel).

Annexure-I**REMUNERATION POLICY**

The remuneration package of the Company ensures that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.
- the balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.
- the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Directors**1. Managing Director / Whole Time Directors**

Remuneration of Managing Director/ Whole Time Director comprises of salary, perquisites and performance based commission, Provident Fund, Superannuation, Gratuity, etc as per rules of the Company. The Managing Director/ Whole Time Director is entitled to customary non-monetary benefits such as company cars, furnished accommodation (House Rent Allowance in case accommodation is not provided), health care benefits, leave travel allowance, communication facilities, etc. Their terms of appointment are contractual in nature and approved by shareholders.

2. Non-whole Time Directors

The non-executive directors are paid remuneration in the form of sitting fees for attending Board Meetings as fixed by the Board of Directors from time to time subject to the provisions of the Companies Act, 2013.

Key Managerial Personnel and Senior Management

KMP and other senior management personnel are being offered CTC package as recommended by Nomination and Remuneration Committee and approved by Board / Managing Director. The package broadly comprises of Basic Salary, HRA, allowances and perquisites, bonus, superannuation and other retirement benefits such as P.F., Gratuity, etc.

Other employees

The remuneration of other employees is fixed from time to time as per the prevalent industry standards, cost of living and applicable laws. In addition to basic salary they are also provided perquisites in the form of HRA, conveyance allowance and other benefits/ retirement benefits as per company's policy / rules and applicable laws.

FOR AND ON BEHALF OF THE BOARD**PLACE: LUDHIANA
DATED: 5th August, 2015****JAWAHAR LAL OSWAL
(Chairman)
DIN: 00463866**



ANNEXURE- II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the Company’s CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:** Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee formulated the Corporate Social Responsibility Policy (CSR Policy) and recommended the same to the Board of Directors of the Company for its approval. The Board of Directors on 11th August, 2014 adopted the CSR Policy as recommended by CSR Committee whereby the company will undertake CSR activities in collaboration with Group Companies under one umbrella i.e. through Oswal Foundation, which is a Registered Society formed in 2006, having its charitable objects in various fields. The details of CSR policy is available on the Company’s website at the link: <http://www.owmnaahar.com/nsml/>.
2. **Composition of the CSR Committee:** Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Board constituted the Corporate Social Responsibility Committee on 29.05.2014 comprising three members namely:
 - Sh. Dinesh Oswal, Chairman (Managing Director)
 - Dr. S.K. Singla, Member (Independent Director)
 - Sh. Dinesh Gogna, Member (Director)
3. **Average net profit of the Company for last three financial years:** Rs. 5525.50 Lacs
4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above) :** Rs. 110.51 Lacs.
5. **Details of CSR spend for the financial year:**
 - (a) Total amount spent for the financial year: Nil
 - (b) Amount unspent, if any: Rs. 110.51 Lacs
 - (c) Manner in which the amount spent during the financial year is detailed below:

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|--------|------------------------------------|--|--|---|--|--|--|
| S. No. | CSR Project or activity identified | Sector in which the Project is covered | Projects or programs (1) Local area or other (2) Specify the State and District where project or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Subheads: 1. Direct expenditure on projects or programs. 2. Overheads: | Cumulative expenditure upto the reporting period | Amount spent Direct or through implementing agency |
| 1. | -- | -- | -- | -- | -- | -- | -- |

6. **Reasons for not spending the two percent of the average net profits of the last three financial years:** Pursuant to section 135 of the Companies Act, 2013, the CSR Committee met on 11th August, 2014 to approve the CSR Policy. The Second meeting of the CSR Committee was held on 2nd February, 2015 to discuss and identify the projects/programs for CSR activities and decided to undertake CSR activities in collaboration with Group Companies under one umbrella i.e. through Oswal Foundation, which is a Registered Society. In the Financial year 2014-15 the company could not spend any money on the CSR activities but in the current year, the Company has contributed Rs. 5 lacs for the expenditure to be incurred by Oswal Foundation for CSR activities. The Oswal Foundation is undertaking the project to ‘maintain the quality of soil and water’ on Sidhwan Canal, Ludhiana. Besides, the said Foundation has also adopted two Government Schools situated in Ludhiana Distt. for ‘promoting education’.
7. **A responsibility statement of the CSR Committee:** The members of the CSR Committee hereby states that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place - Ludhiana
Date- 05.08.2015

sd/-
(DINESH OSWAL)
Managing Director/ Chairman of CSR Committee
DIN: 00607290



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDING 31st March, 2015
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
M/s Nahar Spinning Mills Ltd
373 Industrial Area, Phase A
Ludhiana-141003

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Nahar Spinning Mills Ltd (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year 1st April, 2014 to 31st March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Nahar Spinning Mills Ltd ("The Company") for the financial year ended on 31st March, 2015 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (VI) Factories Act, 1948, Industrial Dispute Act, 1947, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, Employees State Insurance Act, 1948, The Employees Provident Fund & Miscellaneous Provisions Act, 1952, Payment of Bonus Act, 1965, The Payment of Gratuity Act, 1972, The Contract Labour (Regulation and Abolition) Act, 1970, The Maternity Benefit Act, 1961, The Child Labour (Prohibition & Regulation) Act, 1986, The Industrial Employment (Standing Orders) Act, 1946, The Employees Compensation Act, 1923, The Apprentices Act, 1961, Equal Remuneration Act, 1976, The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956, The Environment (Protection) Act, 1986, The Hazardous Wastes (Management, Handling & Transboundary Movement) Rules, 2008, The Water (Prevention & Control of Pollution) Act, 1974, The Air (Prevention & Control of Pollution) Act, 1981.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India are to be followed for the meetings to be held on 1st July, 2015 or thereafter as the case may be by all companies and thus were not enforceable on the company for the period under review.
- (ii) The Listing Agreement entered into by the Company with the National Stock Exchange of India Ltd. and the Bombay Stock Exchange Ltd. Mumbai.

During the period under review and as per the explanations and clarifications given to me and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**2. I further report that**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Decisions at the Board Meetings, as represented by the management, were taken unanimously.

I further report as per the explanations given to me and the representations made by the Management and relied upon by me there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Ludhiana**Date:05-08-2015****For PS Bathla & Associates****Parminder Singh Bathla****Company Secretary****FCS No. 4391****C.P No. 2585****SCO-6, Feroze Gandhi Market
Ludhiana.**

Note: This Report is to be read with my Letter of even date which is annexed as Annexure A and forms an integral part of this report.**'Annexure A'**

To,
The Members,
Nahar Spinning Mills Ltd
373 Industrial Area, Phase A
Ludhiana-141003

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ludhiana**Date:05-08-2015****For PS Bathla & Associates****Parminder Singh Bathla****Company Secretary****FCS No. 4391****C.P No. 2585****SCO-6, Feroze Gandhi Market
Ludhiana.**

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2015****Annexure-IV**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

| | | |
|---|--|--|
| 1 | CIN | L17115PB1980PLC004341 |
| 2 | Registration Date | 16th December, 1980 |
| 3 | Name of the Company | Nahar Spinning Mills Limited |
| 4 | Category/Sub-category of the Company | TEXTILE |
| 5 | Address of the Registered office & contact details | 373, Industrial Area-A, Ludhiana, Punjab. Phone: 0161-2665000, E mail: secnsm@owmnahar.com |
| 6 | Whether listed company | Yes |
| 7 | Name, Address & contact details of the Registrar & Transfer Agent, if any. | M/s. Alankit Assignments Limited 2E/21 Alankit House, Jhandewalan Extension, New Delhi -110 055 Contact Details: PHONE: +91-1142541234/23541234, FAX: 91-11-23552001, WEBSITE: www.alankit.com, e-mail: info@alankit.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1 | TEXTILE | 131 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - Not Applicable**VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year[As on 31-March-2014] | | | | No. of Shares held at the end of the year[As on 31-March-2015] | | | | % Change during the Year |
|--|--|----------|-----------------|-------------------|--|----------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (A) Promoter and Promoter Group | | | | | | | | | |
| 1. Indian | | | | | | | | | |
| (a) Individual/ HUF | 87591 | 0 | 87591 | 0.243 | 87591 | 0 | 87591 | 0.243 | 0.000 |
| (b) Central Govt/ State Govt. | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| (c) Bodies Corp. | 23291834 | 0 | 23291834 | 64.582 | 23291834 | 0 | 23291834 | 64.582 | 0.000 |
| (d) Banks / FI | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| (e) Any other | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| Sub Total (A)(1) | 23379425 | 0 | 23379425 | 64.825 | 23379425 | 0 | 23379425 | 64.825 | 0.000 |
| (2) Foreign | | | | | | | | | |
| (a) Individual (Non Resident Individuals/ Foreign Individuals) | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |



| | | | | | | | | | |
|--|-----------------|----------------|-----------------|---------------|-----------------|----------------|-----------------|---------------|---------------|
| (b) Bodies Corporate | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| (c) Institutions | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| (d) Qualified Foreign Investor | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| (e) Any Other (Total) | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| Sub Total (A)(2) | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| Total A(1)+A(2) | 23379425 | 0 | 23379425 | 64.825 | 23379425 | 0 | 23379425 | 64.825 | 0.000 |
| B. Public Share holding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 11799 | 4537 | 16336 | 0.045 | 3129 | 4537 | 7666 | 0.021 | -0.024 |
| b) Banks / FI | 3033 | 2034 | 5067 | 0.014 | 15693 | 2089 | 17782 | 0.049 | 0.035 |
| c) Central Govt | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| d) State Govt(s) | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| f) Insurance Companies | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| g) FIs | 0 | 600 | 600 | 0.002 | 0 | 600 | 600 | 0.002 | 0.000 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| i) Others (specify) | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0 | 0.000 |
| Sub-total (B)(1):- | 14832 | 7171 | 22003 | 0.061 | 18822 | 7226 | 26048 | 0.072 | 0.011 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 1494282 | 12252 | 1506534 | 4.177 | 2046271 | 12112 | 2058383 | 5.707 | 1.530 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 6815845 | 1816657 | 8632502 | 23.936 | 7024512 | 1733280 | 8757792 | 24.283 | 0.347 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 2413578 | 0 | 2413578 | 6.692 | 1726043 | 0 | 1726043 | 4.786 | -1.906 |
| c) Others (specify) | | | | | | | | | |
| Non Resident | 101422 | 7004 | 108426 | 0.301 | 105486 | 7004 | 112490 | 0.312 | 0.011 |
| Indians | | | | | | | | | |
| Trusts | 1063 | 0 | 1063 | 0.003 | 400 | 0 | 400 | 0.001 | -0.002 |
| Director's and their relatives | 1550 | 22 | 1572 | 0.004 | 4500 | 22 | 4522 | 0.013 | 0.009 |
| OCB | 0 | 200 | 200 | 0.001 | 0 | 200 | 200 | 0.001 | 0.000 |
| Sub-total (B)(2):- | 10827740 | 1836135 | 12663875 | 35.114 | 10907212 | 1752618 | 12659830 | 35.103 | -0.011 |
| Total Public Shareholding (B)= (B)(1)+ (B)(2) | 10842572 | 1843306 | 12685878 | 35.175 | 10926034 | 1759844 | 12685878 | 35.175 | 0.000 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.000 |
| Grand Total (A+B+C) | 34221997 | 1843306 | 36065303 | 100 | 34305459 | 1759844 | 36065303 | 100 | 0.000 |

**B) Shareholding of promoter**

| SN | Shareholder's Name | Shareholding at the beginning of the Year | | | Shareholding at the end of year | | | % Change in share holding during the year |
|----|---------------------------------------|---|----------------------------------|---|---------------------------------|----------------------------------|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbers to total share | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total Shares | |
| 1 | Ruchika Oswal | 11555 | 0.03 | 0.00 | 11555 | 0.03 | 0.00 | 0.00 |
| 2 | Abhilash Oswal | 16000 | 0.04 | 0.00 | 16000 | 0.04 | 0.00 | 0.00 |
| 3 | Monica Oswal | 11520 | 0.03 | 0.00 | 11520 | 0.03 | 0.00 | 0.00 |
| 4 | Kamal Oswal | 24750 | 0.07 | 0.00 | 24750 | 0.07 | 0.00 | 0.00 |
| 5 | Dinesh Oswal | 23766 | 0.07 | 0.00 | 23766 | 0.07 | 0.00 | 0.00 |
| 6 | Abhilash Growth Fund (P) Limited | 189413 | 0.53 | 0.00 | 189413 | 0.53 | 0.00 | 0.00 |
| 7 | Atam Vallabh Financiers Ltd. | 121007 | 0.34 | 0.00 | 121007 | 0.34 | 0.00 | 0.00 |
| 8 | Bermuda Insurance Brokers (P) Ltd. | 20450 | 0.06 | 0.00 | 20450 | 0.06 | 0.00 | 0.00 |
| 9 | J.L. Growth Fund Limited | 338311 | 0.94 | 0.00 | 338311 | 0.94 | 0.00 | 0.00 |
| 10 | Kovalam Investment & Trading Co. Ltd. | 381911 | 1.06 | 0.00 | 381911 | 1.06 | 0.00 | 0.00 |
| 11 | Monica Growth Fund (P) Ltd. | 112520 | 0.31 | 0.00 | 112520 | 0.31 | 0.00 | 0.00 |
| 12 | Nagdevi Trading & Investment Co.Ltd. | 1220386 | 3.38 | 0.00 | 1220386 | 3.38 | 0.00 | 0.00 |
| 13 | Nahar Poly Films Limited | 6902244 | 19.14 | 0.00 | 6902244 | 19.14 | 0.00 | 0.00 |
| 14 | Nahar Growth Fund (P) Ltd. | 218930 | 0.61 | 0.00 | 218930 | 0.61 | 0.00 | 0.00 |
| 15 | Nahar Industrial Enterprises Ltd. | 2356930 | 6.54 | 0.00 | 2356930 | 6.54 | 0.00 | 0.00 |
| 16 | Neha Credit and Investment (P) Ltd. | 51720 | 0.14 | 0.00 | 51720 | 0.14 | 0.00 | 0.00 |
| 17 | Ruchika Growth Fund (P) Ltd. | 113490 | 0.32 | 0.00 | 113490 | 0.32 | 0.00 | 0.00 |
| 18 | Shankheshwar Holding Co. Ltd. | 373041 | 1.03 | 0.00 | 373041 | 1.03 | 0.00 | 0.00 |
| 19 | Vanaik Investors Ltd. | 250554 | 0.7 | 0.00 | 250554 | 0.7 | 0.00 | 0.00 |
| 20 | Vardhman Investments Ltd. | 120170 | 0.33 | 0.00 | 120170 | 0.33 | 0.00 | 0.00 |
| 21 | Vanaik Spinning Mills Limited | 84194 | 0.23 | 0.00 | 84194 | 0.23 | 0.00 | 0.00 |
| 22 | Oswal Woollen Mills Limited* | 58223 | 0.16 | 0.00 | 179179 | 0.49 | 0.00 | 0.33 |
| 23 | Nahar Capital and Fin. Ser. Limited | 10257384 | 28.44 | 0.00 | 10257384 | 28.44 | 0.00 | 0.00 |
| 24 | Ludhiana Holdings Ltd* | 120956 | 0.33 | 0.00 | 0 | 0.00 | 0.00 | (0.33) |
| | Total | 23379425 | 64.83 | 0.00 | 23379425 | 64.83 | 0.00 | 0.00 |



C) Change in Promoters' Shareholding (please specify, if there is no change)

| SN | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|---|---|--------------------------|---|----------------------------------|
| | | No. of shares company | % of total shares of the | No. of shares | % of Total shares of the company |
| | At the beginning of the year | 23379425* | 64.83 | | |
| | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus /sweat equity etc.) | | | | |
| | At the end of the year | 23379425 | 64.83 | | |

***NOTE:** During the year, as per order dated 28-03-2014 Punjab & Haryana High Court, a Promoter Company i.e. M/s. Ludhiana Holdings Limited has been amalgamated with M/s. Oswal woollen Mills Limited thus the holding of 1209656 equity shares stand merged with the holding of M/s. Oswal Woollen Mills Limited.

D) Shareholding Pattern of top ten Shareholders : (Other than Directors, Promoters and Holders of GDRs and ADRs):

| SN | For each of the top 10 | Shareholding | | Date | Increase/ decrease in shareholding | Reason | Cumulative Shareholding during the year | |
|----|--|---|----------------------------------|------------|------------------------------------|----------|---|----------------------------------|
| | | No. of shares Beginning (01.04.2014) end of the year (31.03.2015) | % of total shares of the Company | | | | No. of shares | % of Total shares of the Company |
| 1 | Anil Kumar Goel ^f | 386000 | 1.07 | 01-04-2014 | | | | |
| | | | | 18-04-2014 | -386000 | Transfer | NIL | |
| | | NIL | --- | 31-03-2015 | | | | |
| 2 | Manish Gupta ^f | 241339 | 0.67 | 01-04-2014 | | | | |
| | | | | 30-05-2014 | -101384 | Transfer | 139955 | 0.39 |
| | | | | 06-06-2014 | -139955 | Transfer | NIL | - |
| | | | | 11-07-2014 | 241339 | Transfer | 241339 | 0.67 |
| | | | | 18-07-2014 | -241339 | Transfer | NIL | - |
| 3 | Rakesh Rajkrishan Aggarwal ^f | NIL | --- | 31-03-2015 | | | | |
| | | 204973 | 0.57 | 01-04-2014 | | | | |
| | | | | 04-07-2014 | -204973 | Transfer | NIL | - |
| | | | | 25-07-2014 | 50000 | Transfer | 50000 | 0.14 |
| | | | | 06-02-2015 | -50000 | Transfer | NIL | - |
| 4 | Anand Nareshbhai Shah ^f | NIL | --- | 31-03-2015 | | | | |
| | | 194000 | 0.54 | 01-04-2014 | | | | |
| | | | | 13-06-2014 | -50000 | Transfer | 144000 | 0.4 |
| | | | | 20-06-2014 | -44000 | Transfer | 100000 | 0.28 |
| | | | | 11-07-2014 | 94000 | Transfer | 194000 | 0.54 |
| | | | | 18-07-2014 | -94000 | Transfer | 100000 | 0.28 |
| | | | | 25-07-2014 | -40000 | Transfer | 60000 | 0.17 |
| | | | | 01-08-2014 | -10000 | Transfer | 50000 | 0.14 |
| | | | | 22-08-2014 | -50000 | Transfer | NIL | - |
| 5 | Kotak Mahindra Investments Ltd. ^f | NIL | --- | 31-03-2015 | | | | |
| | | 147268 | 0.41 | 01-04-2014 | | | | |
| | | | | 11-04-2014 | -70543 | Transfer | 76725 | 0.21 |
| | | | | 18-04-2014 | 2500 | Transfer | 79225 | 0.22 |
| | | | | 25-04-2014 | -76025 | Transfer | 3200 | 0.00 |
| | | | | 16-05-2014 | -3200 | Transfer | NIL | - |
| | | | | 30-06-2014 | 89323 | Transfer | 89323 | 0.25 |
| | | 11-07-2014 | -12598 | Transfer | 76725 | 0.21 | | |



| | | | | | | | | |
|----|-------------------------------|--------|-------|------------|---------|----------|--------|-------|
| | | | | 18-07-2014 | 12598 | Transfer | 89323 | 0.25 |
| | | | | 25-07-2014 | 70 | Transfer | 89393 | 0.25 |
| | | | | 01-08-2014 | 144 | Transfer | 89537 | 0.25 |
| | | | | 08-08-2014 | 926 | Transfer | 90463 | 0.25 |
| | | | | 14-08-2014 | 447 | Transfer | 90910 | 0.25 |
| | | | | 22-08-2014 | -36192 | Transfer | 54718 | 0.15 |
| | | | | 29-08-2014 | -23131 | Transfer | 31587 | 0.09 |
| | | | | 05-09-2014 | -30000 | Transfer | 1587 | 0.004 |
| | | | | 14-11-2014 | 10 | Transfer | 1597 | 0.004 |
| | | | | 19-12-2014 | 200 | Transfer | 1797 | 0.005 |
| | | | | 09-01-2015 | -10 | Transfer | 1787 | 0.005 |
| | | | | 13-03-2015 | 222 | Transfer | 2009 | 0.006 |
| | | | | 20-03-2015 | -200 | Transfer | 1809 | 0.005 |
| | | | | 27-03-2015 | 1550 | Transfer | 3359 | 0.009 |
| | | 3359 | 0.009 | 31-03-2015 | | | | |
| 6 | Minal B. Patel | 144212 | 0.4 | 01-04-2014 | | | | |
| | | | | 06-06-2014 | -16613 | Transfer | 127599 | 0.354 |
| | | | | 13-06-2014 | -1000 | Transfer | 126599 | 0.351 |
| | | | | 11-07-2014 | 17613 | Transfer | 144212 | 0.40 |
| | | | | 18-07-2014 | -17613 | Transfer | 126599 | 0.351 |
| | | | | 31-03-2015 | 174500 | Transfer | 301099 | 0.83 |
| | | 301099 | 0.83 | 31-03-2015 | | | | |
| 7. | Sanjeev Vinodchandra Parekh | 141904 | 0.39 | 01-04-2014 | | | | |
| | | | | 02-01-2015 | 15710 | Transfer | 157614 | 0.44 |
| | | | | 09-01-2015 | -15710 | Transfer | 141904 | 0.39 |
| | | 141904 | 0.39 | 31-03-2015 | | | | |
| 8. | Pranav Kumarpal Parekh | 126144 | 0.35 | 01-04-2014 | | | | |
| | | | | 02-01-2015 | 81008 | Transfer | 207152 | 0.57 |
| | | | | 09-01-2015 | -81008 | Transfer | 126144 | 0.35 |
| | | 126144 | 0.35 | 31-03-2015 | | | | |
| 9. | Angel Fincap Private Limited* | 103763 | 0.288 | 01-04-2014 | | | | |
| | | | | 11-04-2014 | -1130 | Transfer | 102633 | 0.284 |
| | | | | 18-04-2015 | -600 | Transfer | 102033 | 0.282 |
| | | | | 16-05-2014 | -100290 | Transfer | 1743 | 0.005 |
| | | | | 23-05-2014 | -733 | Transfer | 1010 | 0.003 |
| | | | | 30-05-2014 | 1265 | Transfer | 2275 | 0.006 |
| | | | | 06-06-2014 | 165 | Transfer | 2440 | 0.007 |
| | | | | 13-06-2014 | 9097 | Transfer | 11537 | 0.032 |
| | | | | 20-06-2014 | -6965 | Transfer | 4572 | 0.013 |
| | | | | 30-06-2014 | 38 | Transfer | 4610 | 0.013 |
| | | | | 04-07-2014 | -745 | Transfer | 3865 | 0.011 |
| | | | | 11-07-2014 | -75 | Transfer | 3790 | 0.011 |
| | | | | 18-07-2014 | 200 | Transfer | 3990 | 0.011 |
| | | | | 14-08-2014 | 1200 | Transfer | 5190 | 0.014 |
| | | | | 22-08-2014 | 2500 | Transfer | 7690 | 0.021 |
| | | | | 05-09-2014 | 995 | Transfer | 8685 | 0.024 |
| | | | | 12-09-2014 | -3395 | Transfer | 5290 | 0.015 |
| | | | | 19-09-2014 | 100 | Transfer | 5390 | 0.015 |
| | | | | 30-09-2014 | 1150 | Transfer | 6540 | 0.018 |
| | | | | 3-10-2014 | -200 | Transfer | 6340 | 0.018 |
| | | | | 10-10-2014 | -500 | Transfer | 5840 | 0.016 |
| | | | | 17-10-2014 | -500 | Transfer | 5340 | 0.015 |
| | | | | 31-10-2014 | 99297 | Transfer | 104637 | 0.29 |
| | | | | 07-11-2014 | 3114 | Transfer | 107751 | 0.30 |
| | | | | 14-11-2014 | -1977 | Transfer | 105774 | 0.29 |
| | | | | 21-11-2014 | 12825 | Transfer | 118599 | 0.328 |
| | | | | 28-11-2014 | 2000 | Transfer | 120599 | 0.334 |
| | | | | 05-12-2014 | -25 | Transfer | 120574 | 0.334 |
| | | | | 12-12-2014 | 12270 | Transfer | 132844 | 0.368 |
| | | | | 19-12-2014 | -1200 | Transfer | 131644 | 0.365 |
| | | | | 31-12-2014 | 700 | Transfer | 132344 | 0.367 |
| | | | | 02-01-2015 | -200 | Transfer | 132144 | 0.366 |
| | | | | 09-01-2015 | -90 | Transfer | 132054 | 0.37 |
| | | | | 16-01-2015 | -360 | Transfer | 131694 | 0.365 |
| | | | | 06-02-2015 | -149 | Transfer | 131545 | 0.364 |



| | | | | | | | | |
|-----|---|--------|------------|------------|----------|----------|--------|-------|
| | | | 06-02-2015 | -149 | Transfer | 131545 | 0.364 | |
| | | | 13-02-2015 | 993 | Transfer | 132538 | 0.37 | |
| | | | 20-02-2015 | -101844 | Transfer | 30694 | 0.09 | |
| | | | 27-02-2015 | -561 | Transfer | 30133 | 0.084 | |
| | | | 06-03-2015 | -25 | Transfer | 30108 | 0.083 | |
| | | | 13-03-2015 | -10 | Transfer | 30098 | 0.083 | |
| | | | 27-03-2015 | -16783 | Transfer | 13315 | 0.04 | |
| | | 13315 | 0.04 | 31-03-2015 | | | | |
| | | 89815 | 0.25 | 01-04-2014 | | | | |
| 10. | Vinodchandra Mansukhlal Parekh | | | 31-10-2014 | 5000 | Transfer | 94815 | 0.26 |
| | | | | 02-01-2015 | 185847 | Transfer | 280662 | 0.78 |
| | | | | 09-01-2015 | -185847 | Transfer | 94815 | 0.26 |
| | | | | 13-02-2015 | 8139 | Transfer | 102954 | 0.285 |
| | | 102954 | 0.285 | 31-03-2015 | | | | |
| 11. | Kashmira Investment and Leasing Private Ltd.* | NIL | -- | 01-04-2014 | | | | |
| | | | | 06-03-2015 | 200000 | Transfer | 200000 | 0.55 |
| | | | | 27-03-2015 | 54973 | Transfer | 254973 | 0.71 |
| | | 254973 | 0.71 | 31-03-2015 | | | | |
| 12. | JNJ Holdings Private Ltd.* | 87000 | 0.24 | 01-04-2014 | | | | |
| | | | | 30-05-2014 | -23930 | Transfer | 63070 | 0.174 |
| | | | | 06-06-2014 | -1500 | Transfer | 61570 | 0.171 |
| | | | | 20-06-2014 | -37500 | Transfer | 24070 | 0.07 |
| | | | | 30-06-2014 | -16000 | Transfer | 8070 | 0.02 |
| | | | | 04-07-2014 | -1500 | Transfer | 6570 | 0.018 |
| | | | | 11-07-2014 | 80430 | Transfer | 87000 | 0.24 |
| | | | | 18-07-2014 | -86999 | Transfer | 1 | 0 |
| | | | | 02-01-2015 | 1 | Transfer | 2 | 0.00 |
| | | | | 09-01-2015 | -1 | Transfer | 1 | 0.00 |
| | | | | 20-02-2015 | 27251 | Transfer | 27252 | 0.075 |
| | | | | 27-02-2015 | 107307 | Transfer | 134559 | 0.37 |
| | | | | 06-03-2015 | 29213 | Transfer | 163772 | 0.45 |
| | | | | 13-03-2015 | 24871 | Transfer | 188643 | 0.52 |
| | | | | 20-03-2015 | 7521 | Transfer | 196164 | 0.54 |
| | | | | 27-03-2015 | 3836 | Transfer | 200000 | 0.55 |
| | | 200000 | 0.55 | 31-03-2015 | | | | |
| 13. | Anil Kumar Goel* | NIL | --- | 01-04-2014 | | | | |
| | | | | 18-04-2014 | 386000 | Transfer | 386000 | 1.07 |
| | | | | 23-05-2014 | -3000 | Transfer | 383000 | 1.06 |
| | | | | 06-06-2014 | -43000 | Transfer | 340000 | 0.94 |
| | | | | 13-06-2014 | -140000 | Transfer | 200000 | 0.55 |
| | | | | 20-06-2014 | -50000 | Transfer | 150000 | 0.415 |
| | | | | 05-09-2014 | 27752 | Transfer | 177752 | 0.492 |
| | | | | 31-03-2015 | 39 | Transfer | 177791 | 0.493 |
| | | 177791 | 0.493 | 31-03-2015 | | | | |
| 14. | Angel Broking Private Limited* | NIL | --- | 01-04-2014 | | | | |
| | | | | 30-05-2014 | 2214 | Transfer | 2214 | 0.006 |
| | | | | 06-06-2014 | -710 | Transfer | 1504 | 0.004 |
| | | | | 13-06-2014 | 24904 | Transfer | 26408 | 0.07 |
| | | | | 20-06-2014 | -1195 | Transfer | 25213 | 0.07 |
| | | | | 30-06-2014 | -1600 | Transfer | 23613 | 0.065 |
| | | | | 11-07-2014 | -23613 | Transfer | NIL | 0.00 |
| | | | | 18-07-2014 | 14263 | Transfer | 14263 | 0.039 |
| | | | | 22-08-2014 | -4 | Transfer | 14259 | 0.039 |
| | | | | 29-08-2014 | -14258 | Transfer | 1 | 0.00 |
| | | | | 07-11-2014 | -1 | Transfer | NIL | 0.00 |
| | | | | 20-03-2015 | 120545 | Transfer | 120545 | 0.334 |
| | | | | 31-03-2015 | -190 | Transfer | 120355 | 0.334 |
| | | 120355 | 0.334 | 31-03-2015 | | | | |
| 15. | C D Integrated Services Limited* | 46943 | 0.13 | 01-04-2014 | | | | |
| | | | | 20-06-2014 | 28600 | Transfer | 75543 | 0.21 |
| | | | | 11-07-2014 | -28600 | Transfer | 46943 | 0.13 |
| | | | | 18-07-2014 | 18600 | Transfer | 65543 | 0.18 |
| | | | | 08-08-2014 | 17600 | Transfer | 83143 | 0.23 |
| | | | | 13-03-2015 | 25000 | Transfer | 108143 | 0.30 |
| | | 108143 | 0.30 | 31-03-2015 | | | | |



| | | | | | | | | |
|-----|--------------------------------|--------|-------|------------|--------|----------|--------|-------|
| 16. | Angel Broking Private Limited* | 5202 | 0.014 | 01-04-2014 | | | | |
| | | | | 11-04-2014 | -2318 | Transfer | 2884 | 0.00 |
| | | | | 18-04-2014 | -225 | Transfer | 2659 | 0.007 |
| | | | | 25-04-2014 | -1258 | Transfer | 1401 | 0.004 |
| | | | | 16-05-2014 | 686 | Transfer | 2087 | 0.006 |
| | | | | 23-05-2014 | 2005 | Transfer | 4092 | 0.011 |
| | | | | 30-05-2014 | 3752 | Transfer | 7844 | 0.022 |
| | | | | 06-06-2014 | 10714 | Transfer | 18558 | 0.051 |
| | | | | 13-06-2014 | 8451 | Transfer | 27009 | 0.075 |
| | | | | 20-06-2014 | -7134 | Transfer | 19875 | 0.055 |
| | | | | 30-06-2014 | 40573 | Transfer | 60448 | 0.168 |
| | | | | 04-07-2014 | 2533 | Transfer | 62981 | 0.175 |
| | | | | 11-07-2014 | -3545 | Transfer | 59436 | 0.165 |
| | | | | 18-07-2014 | -3960 | Transfer | 55476 | 0.154 |
| | | | | 25-07-2014 | -84 | Transfer | 55392 | 0.153 |
| | | | | 01-08-2014 | 280 | Transfer | 55672 | 0.154 |
| | | | | 08-08-2014 | 150 | Transfer | 55822 | 0.155 |
| | | | | 14-08-2014 | 480 | Transfer | 56302 | 0.156 |
| | | | | 22-08-2014 | 3385 | Transfer | 59687 | 0.165 |
| | | | | 29-08-2014 | -47467 | Transfer | 12220 | 0.03 |
| | | | | 05-09-2014 | 398 | Transfer | 12618 | 0.035 |
| | | | | 12-09-2014 | -1866 | Transfer | 10752 | 0.03 |
| | | | | 19-09-2014 | -958 | Transfer | 9794 | 0.027 |
| | | | | 30-09-2014 | 1769 | Transfer | 11563 | 0.032 |
| | | | | 03-10-2014 | 1640 | Transfer | 13203 | 0.037 |
| | | | | 10-10-2014 | -218 | Transfer | 12985 | 0.036 |
| | | | | 17-10-2014 | -545 | Transfer | 12440 | 0.034 |
| | | | | 24-10-2015 | 111 | Transfer | 12551 | 0.035 |
| | | | | 31-10-2014 | -3614 | Transfer | 8937 | 0.025 |
| | | | | 07-11-2014 | -1916 | Transfer | 7021 | 0.019 |
| | | | | 14-11-2014 | 383 | Transfer | 7404 | 0.021 |
| | | | | 21-11-2014 | 443 | Transfer | 7847 | 0.022 |
| | | | | 28-11-2014 | 1693 | Transfer | 9540 | 0.026 |
| | | | | 05-12-2014 | -2351 | Transfer | 7189 | 0.02 |
| | | | | 12-12-2014 | -1326 | Transfer | 5863 | 0.016 |
| | | | | 19-12-2014 | -848 | Transfer | 5015 | 0.014 |
| | | | | 31-12-2014 | 3381 | Transfer | 8396 | 0.023 |
| | | | | 02-01-2015 | -1674 | Transfer | 6722 | 0.019 |
| | | | | 09-01-2015 | -349 | Transfer | 6373 | 0.018 |
| | | | | 16-01-2015 | -1141 | Transfer | 5232 | 0.014 |
| | | | | 06-02-2015 | 964 | Transfer | 6196 | 0.017 |
| | | | | 13-02-2015 | 625 | Transfer | 6821 | 0.019 |
| | | | | 20-02-2015 | -1489 | Transfer | 5332 | 0.015 |
| | | | | 27-02-2015 | 99748 | Transfer | 105080 | 0.29 |
| | | | | 06-03-2015 | 355 | Transfer | 105435 | 0.292 |
| | | | | 13-03-2015 | -2637 | Transfer | 102798 | 0.285 |
| | | | | 20-03-2015 | -1039 | Transfer | 101759 | 0.282 |
| | | | | 27-03-2015 | 250 | Transfer | 102009 | 0.283 |
| | | | | 31-03-2015 | -163 | Transfer | 101846 | 0.282 |
| | | 101846 | 0.282 | 31-03-2015 | | | | |

*Not in the list of Top 10 Shareholders as on 01-04-2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2015.

Ceased to be in the list of Top 10 shareholders as on 31-03-2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2014.

E. SHAREHOLDING OF DIRECTOR AND KEY MANAGERIAL PERSONNEL

| SN | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|---|---|--------------------------|---|----------------------------------|
| | | No. of shares company | % of total shares of the | No. of shares | % of Total shares of the company |
| 1 | Directors | | | | |
| | Prof. K.S.Maini | | | | |
| | At the beginning of the year | 22 | 0.00 | 22 | 0.00 |
| | increase-decrease in shareholding during the year | 0 | 0.00 | 0 | 0.00 |
| | At the end of the year | 22 | 0.00 | 22 | 0.00 |
| 2 | KMP | | | | |
| | Sh. Anil Grag | | | | |
| | At the beginning of the year | 0 | 0.00 | 0 | 0.00 |
| | increase-decrease in shareholding during the year | 200 | 0.00 | 200 | 0.00 |
| | At the end of the year | 200 | 0.00 | 200 | 0.00 |

Note : Sh. Dinesh Oswal is managing director and Sh. Kamal Oswal is director of the company. They are also promoters of the company and their holding of share have been included in the promoter category (In Point B i.e. shareholding promoter at no. 4 & 5)

**V) INDEBTEDNESS :- Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

| | Secured Loans excluding deposits | Unsecured Loans indebte ness | Deposits | Total |
|---|---|---|-----------------|--------------|
| Indebtedness at the beginning of the financial year | - | - | - | |
| i) Principal Amount | 45591.95 | - | - | 45591.95 |
| ii) Interest due but not paid | 101.43 | - | - | 101.43 |
| iii) Interest accrued but not due | 237.74 | - | - | 237.74 |
| Total (i+ii+iii) | 45931.12 | - | - | 45931.12 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 9215.60 | - | - | 9215.60 |
| * Reduction | 9562.17 | - | - | 9562.17 |
| Net Change | -346.57 | - | - | -346.57 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 45444.71 | - | - | 45444.71 |
| ii) Interest due but not paid | 128.22 | - | - | 128.22 |
| iii) Interest accrued but not due | 11.62 | - | - | 11.62 |
| Total (i+ii+iii) | 45584.55 | - | - | 45584.55 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| SN | Particulars of Remuneration | Name of MD/WTD/ Manager | Total Amount |
|-----------|---|---|---------------------|
| 1 | Gross salary | Mr. Dinesh Oswal, Managing Director | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 5277144 | 5277144 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 39600 | 39600 |
| | (c) Profits in lieu of salary under section 17 (3) Income- tax Act, 1961 | NIL | NIL |
| 2 | Stock Option | -- | -- |
| 3 | Sweat Equity | -- | -- |
| 4 | Commission - as % of profit - others, specify... | -- | -- |
| 5 | Others, please specify | -- | -- |
| | Total (A) | 5316744 | 5316744 |
| | Ceiling as per the Act | 5% of the Net Profit of the Company i.e. Rs. 77.75 Lacs | |


B. Remuneration to other directors

| SN | Particulars of Remuneration | Name of Directors | | | | | Total Amount |
|----------|---|---|------------------|-----------------|-------------------|-----------------|--------------|
| | | Dr. (Mrs. H.K.Bal) | Prof. K.S. Maini | Dr. A.S. Sohi | Dr. Y.P. Sachdeva | Dr. S.K. Singla | |
| 1 | Independent Directors | | | | | | |
| | Fee for attending board/ committee meetings | 35000 | 35000 | 25000 | 35000 | 35000 | 165000 |
| | Commission | -- | -- | -- | -- | -- | -- |
| | Others, please specify | -- | -- | -- | -- | -- | -- |
| | Total (1) | 35000 | 35000 | 25000 | 35000 | 35000 | 165000 |
| 2 | Other Non-Executive Directors | Mr. Jawahar Lal Oswal | Mr. Dinesh Gogna | Mr. Kamal Oswal | Mr. S.K. Sharma | | |
| | Fee for attending board/ committee meetings | 25000 | 35000 | 35000 | 35000 | -- | 130000 |
| | Commission | -- | -- | -- | -- | -- | -- |
| | Others, please specify | -- | -- | -- | -- | -- | -- |
| | Total (2) | 25000 | 35000 | 35000 | 35000 | --- | 130000 |
| | Total (B)=(1+2) | 60000 | 70000 | 60000 | 70000 | 35000 | 295000 |
| | Total Managerial Remuneration | | | | | | 6291899.26 |
| | Overall Ceiling as per the Act | 11% of the net profit of the Company i.e. Rs. 171.04 Lacs | | | | | |

Note: None of the Non Executive and Independent Directors has been paid any remuneration except sitting fees.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| SN | Particulars of Remuneration | Key Managerial Personnel | | |
|----|---|--------------------------|----------------|----------------|
| | | CS | CFO | Total |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in 1961 section 17(1) of the Income-tax Act, | 1427585 | 1438490 | 2866075 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 44950 | 100371 | 145321 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | -- | -- | -- |
| 2 | Stock Option | -- | -- | -- |
| 3 | Sweat Equity | -- | -- | -- |
| 4 | Commission - as % of profit others, specify... | -- -- -- | -- -- -- | -- -- -- |
| 5 | Others, please specify | -- | -- | -- |
| | Total | 1472535 | 1538861 | 3011396 |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

| Type | Section of the Companies Act, | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD/NCLT/ COURT] | Appeal Made, if any (give Details) |
|-------------------------------------|-------------------------------|-------------------|---|----------------------------|------------------------------------|
| A. COMPANY | | NONE | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | NONE | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | NONE | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

FOR AND ON BEHALF OF THE BOARD**PLACE: LUDHIANA
DATED: 5th August, 2015****JAWAHAR LAL OSWAL
(Chairman)
DIN: 00463866**

**Annexure-V****DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

(I) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| Sr. No. | Name of Director/KMP and Designation | Remuneration of Director /KMP for financial year 2014-15 | % increase in Remuneration in the Financial Year 2014-15 | Ratio of remuneration of each Director/ to median remuneration of employees | Comparison of the Remuneration of the KMP Against the Performance of the Company |
|---------|---|--|--|---|--|
| 1 | Sh. J.L. Oswal Non-Executive Director | 25000 | 25 | 0.25 | -- |
| 2 | Sh. Dinesh Oswal Managing Director | 5316744* | -91.29 | 54.09 | Profit Before Tax declined by 92.74% and profit after Tax declined by 86.03% in FY 2014-15 |
| 3 | Sh. Kamal Oswal Non-Executive Director | 35000 | 75 | 0.36 | -- |
| 4 | Sh. Dinesh Gogna Non-Executive Director | 35000 | 75 | 0.36 | -- |
| 5 | Sh. S.K. Sharma Non-Executive Director | 35000 | 75 | 0.36 | -- |
| 6 | Dr. (Mrs.) H.K. Bal Independent Director | 35000 | 75 | 0.36 | -- |
| 7 | Dr. S.K. Singla Independent Director | 35000 | 75 | 0.36 | -- |
| 8 | Dr. Y.P. Sachdeva Independent Director | 35000 | 75 | 0.36 | -- |
| 9 | Prof. K.S. Maini Independent Director | 35000 | 75 | 0.36 | -- |
| 10 | Dr. A.S. Sohi Independent Director | 25000 | 66.67 | 0.25 | -- |
| 11 | Sh. Anil Garg Chief Financial Officer | 1538861 | 18.30 | -- | Profit Before Tax declined by 92.74% and profit after Tax declined by 86.03% in FY 2014-15 |
| 12 | Mr. Brij Sharma Company Secretary | 1472535 | 15.77 | -- | |

*Pursuant to Section 197 and 198 read with Schedule V of the Companies Act, 2013, the Company has paid minimum remuneration to Sh. Dinesh Oswal, Managing Director of the Company, for the year 2014-15

Except Mr. Dinesh Oswal, who is Managing Director, all the Directors have been paid meeting fees for attending Board Meeting.

(I) The median remuneration of employees of the company during the financial year was Rs. 0.98 Lacs (approx.).



- (II) In the financial year, there was an increase of 7.63% in the median remuneration of employees;
- (III) There were 12071 permanent employees on the rolls of company as on March 31, 2015;
- (IV) Relationship Between average increase in remuneration and company performance :-
The profit before tax for the financial year ended March 31, 2015 decreased by 92.74% where as the increase in median remuneration of the financial year ended 31st March, 2015 is 7.63%.

- (VI) Comparison of Remuneration of Key Managerial Personnel(s) against the performance of the company:
The total remuneration of Key Managerial Personnel decreased by 86.91% from Rs 6.36 crores in 2013-14 to Rs 0.83 Crores in 2014-15 whereas the Profit before tax decreased by 92.74% to Rs. 1483.94 Lacs (Rs. 20450.40 Lacs in 2013-14).

- (VII) Variations in the market capitalisation of the Company, Price Earning Ratio as at the Closing date of current financial year and previous financial year at NSE:

| Particulars | 31 st March, 2014 | 31 st March, 2015 |
|--|---------------------------------------|-------------------------------------|
| Market Capitalisation (Rs. in Lacs) | 35470.22 (@ 98.35 per share) | 31052.22 (@ 86.10 per share) |
| P/E Ratio | 2.4410 Times (Rs. 98.35/Rs. 40.29) | 15.375 Times (Rs. 86.10/Rs. 5.6) |
| Percent increase over/ decrease in the markets quotations of the shares of the company as compared to the rate at which the company came out with the last public offer* | 1.43%* | |

*NOTE: The Company allotted shares of Rs. 10/- each in the year 1997 on the exercise of right attached with the warrants issued alongwith the Secured Premim Convertible Bonds at a price of Rs. 137/- per share (Including Security premium of Rs. 127/- per share). The Face value of the equity shares of Nahar Spinning Mills Limited stands reduced to Rs. 5/- per share as per the Scheme of Demerger and Arrangement with Nahar Capital and Financial Services limited, approved by Hon'ble Punjab and Harayana High Court, Chandigarh, vide its order dated 21st December 2006. Accordingly the Growth of Share price has been adjusted proportionately.

- (VIII) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 7.16% whereas the decrease in the managerial remuneration for the same financial year was 86.91%
- (IX) The Key Parameters for the variable component of remuneration availed by the directors:
As per Shareholder's approval vide resolution dated 20-09-2011 the Managing Director is entitled to get 1.5% of the net profit as commission but because of inadequacy of profit he has been paid minimum remuneration as per the provisions of Companies Act, 2013 and no commission (Variable component) has been paid to him. None of the other Directors is entitled to any remuneration except sitting fees.
- (X) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year :- Not applicable
- (XI) It is hereby affirmed that the remuneration paid is as per the Appointment and Remuneration Policy of the Company for the Directors, Key Managerial Personnel and other Employees.

FOR AND ON BEHALF OF THE BOARD

PLACE: LUDHIANA
DATED: 5th August, 2015

JAWAHAR LAL OSWAL
(Chairman)
DIN: 00463866



ANNEXURE-VI

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

a) Measures taken for conservation of energy

Energy conservation is an ongoing process in our organization. The company carries out continuous monitoring, planning, development and modification in our all units to conserve energy. The company always select latest art of technology, machinery and equipment having low energy consumption. The company has taken following measures for energy conservation :

- i) The Company has installed AC Drives in place of fluid coupling in Simplex machines and inverters on Ring Frame, Auto Coners for power saving.
- ii) The Company has installed AC Drives on Humidification plant Pumps for energy saving and automation of Humidification Plant for Power optimization.
- iii) The Company is replacing Copper Ballast with electronic Ballast and LED Lights.
- iv) Removing unnecessary bend in water flow pipe line of cooling tower for reducing the resistance in water flow so as to improve the efficiency, of cooling tower.
- v) Company is using energy efficiency spindle oil in Ring Frame machines, which resulted in saving of power consumption.
- vi) The Company is replacing the old Ring Frame machines by installing new Machines, which will help in saving the electricity also.
- vii) The Company has also installed new G-90 compressor of Atlas Copco in place of old compressor to save on electricity.
- viii) The company has installed Solar Water Heating system for yarn conditioning machine in Company's spinning Unit.
- ix) The company has also installed rain water harvesting system for the conservation of energy.
- x) The Company has installed replaced machine with AC Frequency Drive for variable speed in speed Frame, Ring Frame & Auto Coner & other machines for saving power.
- xi) The Company is replacing conventional florescent tube light with LED light, which will enable the Company to save on electricity.
- xii) The Company is maintaining unity power factor for the efficient use of energy.

B) TECHNOLOGY ABSORPTION

The Company continues to make efforts for Technology Absorption in all its spinning units. The efforts made by the Company are summarized as under:

• Efforts made towards Technology Absorption

- i) The Company has Installed Auto Doffer on Ring Frame and Speed Frame, Contamination Clearer has been upgraded in Blow Room and Auto Coners for the removal of Polypropylene and foreign contaminations. The Company is replacing Auto Coners with new Schlafhorst using Uster Quantum – 3/Loafe latest series of Yarn Clearers to improve the quality of Yarn.
- ii) To improve working environment, the company has installed latest Humidification plant from LUWA. It has installed latest generation of contamination sorter-1 Scan.
- iii) The company has the latest on line & offline testing

and monitoring equipments to maintain the consistency of raw material as well as finished products. The Company is able to produce the improved quality of material through R&D monitoring. This has enabled the Company to meet ever increasing expectations of its customers.

- iv) The R&D efforts in the company are focused not only on productivity, quality improvement with waste reduction but also developing value added products like Multi Slub yarn, Multi Count with Multi Slub yarn & Multi Twist Yarn, 100% Organic cotton and Organic cotton blends, B.C.I. Cotton & Cleaner Cotton, Polyester Cotton blends, Speciality yarn (Magic Yarn), Cotton Modal Blend, Melange yarn in different shade and blends for overseas & domestic Markets.

• Benefits derived

The company has not only improved its product quality but has reduced production cost also. Thus the company will enjoy the benefits of improved quality, productivity & saving in manufacturing costs. The Company can compete with the global competitors and export its products to highly quality conscious market of European Union and U.S.A.

• Information regarding Technology imported during the last three years:

| | | |
|--|---|-----|
| Detail of Technology imported | : | NIL |
| Year of import | : | NA |
| Whether the technology has been fully absorbed: | : | NA |
| If not fully absorbed, areas where absorption has not taken place, and the reasons thereof | : | NA |

• Expenditure on R & D

| | | |
|-----------------|---|-----|
| Capital(Rs.) | : | Nil |
| Recurring (Rs.) | : | Nil |
| Total(Rs.) | : | Nil |

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

- (I) Activities relating to Exports, initiative taken to increase exports, Development of New Export Markets for products and export plans
- With the opening of Global Trade company has taken effective steps to increase its exports and diversified export Markets. Company continues to make efforts to provide quality products at a very competitive rates so that it can compete with Inter-national suppliers and maintain a steady growth of exports.

| | Current Year | Previous Year |
|---|------------------|---------------|
| (II) Total Foreign Exchange used and earned | | |
| a) Earnings (FOB value of Exports and other Receipts etc.) | 138049.87 | 140980.98 |
| b) Outgo (CIF value of Imports, expenditure in foreign currency and other payments) | 5269.80 | 8175.83 |

FOR AND ON BEHALF OF THE BOARD

PLACE: LUDHIANA
DATED: 5 August, 2015

JAWAHAR LAL OSWAL
(Chairman)
DIN: 00463866

**ANNEXURE - VII**
CORPORATE GOVERNANCE REPORT

This report of Corporate Governance form part of the Annual Report.

Company's philosophy on Corporate Governance

Your company continues to practice the principle of good Corporate Governance. It is company's firm belief that good Corporate Governance is a key to success of business. The company's philosophy envisages an attainment of highest level of the transparency and accountability in its operations so that company's goal of creation and maximization of wealth of the shareholders/stakeholders could be achieved. Clause 49 of the listing agreement with stock exchanges incorporates certain mandatory disclosure requirements with regard to Corporate Governance. In pursuance to the requirements of corporate governance rules, we are pleased to report the following:

I. BOARD OF DIRECTORS

1. The Board of the company is well structured and diversified with adequate blend of professional, Executives, Non Executives and Independent Directors.
2. The present strength of Board is Ten Directors. The Board comprises of Executive and Non-Executive Directors. Sh. J.L. Oswal is a Non-Executive Chairman and Sh. Dinesh Oswal is Managing Director of the Company. Thus the post of Chairman and Managing Director are held by different persons.

3. The present Board consists of one half of the Independent Directors as required under Corporate Governance Rules. Out of ten Board members, five members namely Dr. (Mrs.) H.K. Bal, Prof. K.S. Maini, Dr. Suresh Kumar Singla, Dr. Amrik Singh Sohi and Dr. Yash Paul Sachdeva are Independent Directors. Dr.(Mrs.) H.K.Bal is woman Director of the company. Thus the company has complied the Corporate Governance Rules regarding structure of the Board.
4. During the year the Board met four times i.e. on 29th May, 2014, 11th August, 2014, 12th November, 2014 and 3rd February, 2015 with a clearly defined agenda circulated well in advance of each meeting. The maximum interval between the two Board Meetings is not more than 120 days.
5. None of the director is a member of more than ten Board level committees or is Chairman of more than five such Board level committees as required under Clause 49 of the Listing Agreement. None of the Director holds Directorships in more than Twenty Companies and is a Director of more than Ten Public Limited Companies as prescribed under the Companies Act, 2013.
6. Participation of Non-Executive Directors has been active in the Board Meetings. The Attendance record of directors in the Board meeting and Annual General Meeting during the year 2014-15 is given here under:

| Name of Director | Category of Directors | No. of other Directorship (excluding private company) | No. of Committe membership | | No. of Board Meeting attended | AGM Attendance (held on 30.09.2014) | No. of Shares held |
|-------------------------|--------------------------|---|----------------------------|----------|-------------------------------|-------------------------------------|--------------------|
| | | | Member | Chairman | | | |
| Sh.Jawahar Lal Oswal | Non Executive-Promoter | 8 | -- | 1 | 3 | No | -- |
| Sh.. Dinesh Oswal | Executive- Promoter | 8 | -- | -- | 4 | Yes | 23766 |
| Sh. Kamal Oswal | Non Executive - Promoter | 9 | 1 | -- | 4 | Yes | 24750 |
| Sh. Dinesh Gogna | Non Executive | 8 | 6 | 2 | 4 | No | -- |
| Sh. S.K. Sharma | Non Executive | 2 | 3 | -- | 4 | Yes | -- |
| Dr.(Mrs.) H.K. Bal | Independent | 5 | 2 | 2 | 4 | Yes | -- |
| Prof. K.S. Maini | Independent | 3 | 2 | 2 | 4 | Yes | 22 |
| Dr. Suresh Kumar Singla | Independent | 4 | 3 | 3 | 4 | Yes | -- |
| Dr. Amrik Singh Sohi | Independent | 3 | 2 | 1 | 3 | No | -- |
| Dr. Yash Paul Sachdeva | Independent | 6 | 4 | -- | 4 | No | -- |



7. Earlier Non-Executive Directors were paid sitting fees of Rs. 5000/- per meeting of the Board. However, w.e.f. 11th August, 2015 the Board has increased the sitting fee from Rs. 5000/- to Rs. 10000/- per meeting of the Board.
8. Sh. Jawahar Lal Oswal is the father of Sh.Kamal Oswal and Sh. Dinesh Oswal. Sh.Kamal Oswal and Sh. Dinesh Oswal are brothers. No other Director is related to any other director of the company within the meaning of Section 2(77) of the Companies Act, 2013.
9. Code of Conduct : The Company is committed to conduct its business in accordance with applicable laws, rules and regulations and highest standard of transparency. Accordingly, the Company has laid down a Code of conduct for all its Board members and Senior Managerial Personnel so that conflict of interest could be avoided. All the Board members and Senior Managerial Personnel are complying with the said code of conduct. The code of conduct is also available on Company's website i.e. www.ownahar.com. The Board members and senior management personnel affirm the compliance of this Code annually.
10. The Company ensures compliance of various statutory requirements by all its business units.
11. All the statutory Registers that are required to be maintained particularly, Registers of Director's and key managerial personal and their Shareholding, Register of contracts, Register of Investments etc. are properly maintained and continuously updated.

FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

The Company at the time of appointing a Director, issues a formal letter of appointment which inter alia, explains the role, functions, duties and responsibilities expected from him/her as a Director of the Company. All Independent Directors are provided with copies of all the policies/Guidelines as framed by the Company under various statutes and Listing Agreement to familiarise with Company's procedures and practices. Further, to update them on the regular basis, the Company provide copies of all amendments in Corporate Laws, Corporate Governance Rules and Listing Agreement. The details of

the Company's policy on Familiarisation Programme for Independent Directors are posted on the website of the Company and can be assessed at [http://www.ownahar.com/\(Web Link\)](http://www.ownahar.com/(Web Link))

SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors met on 15th December, 2014, without the attendance of Non Independent Directors and members of the management. All Independent Directors were present at the meeting. At the meeting, they:-

- i. Reviewed the performance of non-independent directors and the Board as a whole;
- ii. Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- iii. Assessed the quality and timeliness of flow of information between the Company management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors were of the unanimous opinion that the Managing Director of the Company is providing good leadership to the Executive Team. He is a Textile expert having experience of more than 30 years in Textile Industry. He also possesses good knowledge of Finance, export marketing and plays a pivotal role in guiding and managing the company's affairs in a transparent manner to achieve objectives of maximizing the wealth of the shareholders. It was also confirmed that all the Directors of the Company are persons of integrity and possess relevant expertise and experience. The Board as a whole is an integrated, balanced and organized team of experts. The Directors are participative, interactive and communicative and take keen interest in the affairs of the Company. The Chairperson, Sh. Jawahar Lal Oswal, who is an eminent Industrialist having business experience of more than 51 years, not only provides leadership to the Board but also provides advice to the Managing Director/Chief Executive Officer by sharing his expertise and experience in handling the complex situations. He oversees the distribution of information to Directors and implementation of Good Corporate Governance practices. The information flow between the Company's management and the Board is reasonable, accurate and timely to enable the smooth functioning of the Company's affairs.

II. AUDIT COMMITTEE

The Board had already constituted an independent and qualified Audit Committee as per section 177 of the Companies Act, 2013. The committee consists of three Non-Executive Directors under the Chairmanship of Prof. K.S. Maini, Sh. Dinesh Gogna



and Dr. S.K. Singla are the two other members of the Audit Committee. Prof. K.S. Maini is Post Graduate in commerce. He retired as Head of Commerce Department (Post Graduate), Government College, Ludhiana. He is well versed with accounting and financial matters. Sh. Dinesh Gogna is a Company Executive having 36 years of experience in Corporate Finance, Taxation and Financial and Accounting matters. Likewise Dr. S.K.Singla who is M.A. (Stats. & Eco.) & Ph.D (Stats.) is also having requisite expertise in Financial and Accounting matters. The Company Secretary is the Secretary of the committee. The Chief Financial Officer is permanent invitee of the committee. The statutory auditors, the internal auditors and cost auditors are also invited to attend the meetings, as per relevant provisions of the applicable laws/rules, as and when felt necessary.

The term of reference of the Audit Committee is as per Clause 49 of the Listing Agreement entered into with the Stock Exchanges, SEBI Guidelines and Section 177 Companies Act, 2013. During the financial year 2014-15, the committee met four times i.e. on 29th May, 2014, 11th August, 2014, 12th Nov, 2014 and 3rd Feb, 2015 for reviewing and adopting the quarterly un-audited financial results as well as the financial statement for the year ended 31st March, 2014, before recommending the same to the Board of Directors for their perusal and adoption.

The attendance record of the Audit Committee members is as under

| Name of the Member | No. of meetings held Upto 31.03.2015 | No. of meetings attended |
|--------------------|---|-----------------------------|
| Prof. K.S. Maini | 4 | 4 |
| Sh. Dinesh Gogna | 4 | 4 |
| Dr. S.K. Singla | 4 | 4 |

Prof. K.S. Maini, Chairman of the Audit Committee attended the last Annual General Meeting of the company held on 30th September, 2014 and replied/clarified the queries at the Annual General Meeting.

III. NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors in their meeting held on 29th May 2014 has reclassified Remuneration Committee as Nomination and Remuneration Committee. The committee consists of three independent directors, Dr. S.K. Singla as Chairman,

Dr. A.S. Sohi and Dr.(Mrs.) H.K. Bal are the other members of the Committee.

The broad terms of reference of the Nomination and Remuneration Committee are as per the provisions of Section 178 of the Companies Act, 2013, i.e. to frame and recommend Company's policies in respect of nomination and remuneration of Managing Director, Senior Executives. The policies help the company to recruit and retain best talent and also ensure appropriate disclosures as per the applicable provisions of the Companies Act 2013.

The Nomination and Remuneration Committee met thrice on 29th May, 2014, 11th August 2014, 18th August 2014, during the year under review. The attendance record of the meetings held is as follow:-

| Name of the Member | No. of meetings held Upto 31.03.2015 | No. of meetings attended |
|--------------------|---|-----------------------------|
| Dr. S.K. Singla | 3 | 3 |
| Dr. A.S. Sohi | 3 | 3 |
| Dr.(Mrs.) H.K. Bal | 3 | 3 |

REMUNERATION OF DIRECTORS

The remuneration of Managing Director of the Company comprises of both fixed and variable component i.e. Salary, perquisites, retirement benefits and a commission of 1.5% of the Net Profit. The remuneration of Managing Director is recommended by the Nomination and Remuneration Committee and approved by Board of Directors and shareholders of the Company. The tenure of office of Managing Director is for five years from the date of appointment, and can be terminated by either party by giving one month notice in writing. There is no separate provision for payment of severance fees. Pursuant to Section 197 and 198 read with Schedule V of the Companies Act, 2013, the Company has paid minimum remuneration of Rs. 5316744/- only for the year 2014-15 to Sh. Dinesh Oswal, Managing Director of the Company. The Company has also applied to Ministry of Corporate Affairs (MCA), Government of India for approval for payment of Managing Directors' remuneration as approved by shareholders vide special resolution dated 30-09-2014 but the same has not been received as yet. The details of remuneration paid to Managing Director for the year 2014-15 is detailed hereunder:

| Name of the Director | Salary | Benefits | Bonuses | Stock Options | Pension | Total |
|----------------------|---------|----------|---------|---------------|---------|---------|
| Dinesh Oswal | 5277144 | 39600 | - | - | - | 5316744 |

The non-executive directors are paid remuneration in



the form of sitting fees for attending Board Meetings as fixed by the Board of Directors from time to time subject to statutory provisions. The details of sitting fee paid to Non executive Directors are:

| Name of Director | Sitting Fees (Rs.) |
|------------------------|--------------------|
| Sh. Jawahar Lal Oswal | 25000.00 |
| Sh. Kamal Oswal | 35000.00 |
| Sh. Dinesh Gogna | 35000.00 |
| Sh. S.K.Sharma | 35000.00 |
| Dr. (Mrs.) H.K.Bal | 35000.00 |
| Prof. K.S.Maini | 35000.00 |
| Dr. S.K.Singla | 35000.00 |
| Dr. Amrik Singh Sohi | 25000.00 |
| Dr. Yash Paul Sachdeva | 35000.00 |

None of the Non Executive Directors has any pecuniary relationships or transactions vis-à-vis the Company. None of the Directors has been granted any stock option. The appointment and remuneration policy of the Company in respect of Company's Directors has already been discussed in the Directors' Report. Hence, the same is not repeated here for the sake of brevity.

IV. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has reclassified and changed the name of Shareholder's/Investors' Grievances Committee to Stakeholder Relationship Committee in its meeting held on 29th May, 2014. The committee consists of three non executive directors under the Chairmanship of Dr.(Mrs.) H.K. Bal, Dr. A.S. Sohi and Sh. S.K. Sharma are the other two members of the Committee. Sh. Brij Sharma, Company Secretary is the Compliance Officer of the Company. The Committee look into the complaints/grievances of shareholders in respect of transfer of shares, non receipt of Dividend/Share Certificates, demat problems etc. The Committee met four times from 1st April, 2014 to 31st March,2015 i.e. on 29th May, 2014, 11th August, 2014, 12th November, 2014 and 03rd Feb, 2015 and the attendance record of the meeting held is as follow:-

| Name of the Member | No. of meetings held Upto 31.03.2015 | No. of meetings attended |
|--------------------|--------------------------------------|--------------------------|
| Dr.(Mrs.) H.K. Bal | 4 | 4 |
| Sh. S.K. Sharma | 4 | 4 |
| Dr. A.S. Sohi | 4 | 3 |

The Company has been quick in redressal of the

grievances of the shareholders and has attended to most of the investors correspondence/grievances with in a period of 15 to 20 days from the date of the receipt of the same.

Number of complaints received/resolved/pending is as under:

No. of complaints received during the year : 3

No. of complaints resolved during the year : 3

No. of complaints pending as on 31st March, 2015 : NIL

None of the complaints during the year remained pending for more than 20 days.

V. Share Transfer Committee

The Company has also constituted a Share Transfer Committee comprising 4 members under the Chairmanship of Sh. Dinesh Oswal, Managing Director of the Company. The Committee is responsible for approving the transfer and transmission of securities, dematerialization of shares, issuance of duplicate certificates and other shareholders related issues. The Committee generally meets twice in a month. During the period 1st April, 2014 to 31st March, 2015, the Committee held 22 meetings i.e. on 29.04.2014, 31.05.2014, 16.06.2014, 30.06.2014, 15.07.2014, 31.07.2014, 14.08.2014, 30.08.2014, 13.09.2014, 30.09.2014, 15.10.2014, 31.10.2014, 15.11.2014, 29.11.2014, 15.12.2014, 31.12.2014, 15.01.2015, 31.01.2015, 14.02.2015, 28.02.2015, 14.03.2015, 31.03.2015 and the attendance record of the members is as follow:

| Name of the Member | No. of meetings held Upto 31.03.2015 | No. of meetings attended |
|--------------------|--------------------------------------|--------------------------|
| Sh. Dinesh Oswal | 22 | 22 |
| Sh. Dinesh Gogna | 22 | 21 |
| Sh. S.K. Sharma | 22 | 22 |
| Sh. Brij Sharma | 22 | 22 |

As per SEBI Circular No. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, Company has appointed M/s Alankit Assignments Ltd. as Registrar for Share Transfer and Electronic Connectivity. Accordingly, all the shareholders, investors, Members of the Stock Exchanges, Depository Participants and all other concerned are requested to send all communication in respect of share transfer, Demat/Remat, Change of Address etc. to our Registrar whose address and telephone no. etc. has already been mentioned in the



Directors Report.

VI. WHISTLE BLOWER POLICY/VIGIL MECHANISM

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the Board in its meeting held on 29th May 2014 has framed and approved a Vigil Mechanism/Whistle Blower Policy for its directors and employees to report the genuine concerns or grievances about the unethical behaviour, actual or suspected fraud or violation of the Code of Conduct or Policy and for providing adequate safeguards against victimisation of persons who use such mechanism.

Whistle Blower Policy/Vigil Mechanism is also posted on Company's Website. The Company has a dedicated e-mail address i.e. whistleblowersml@owmnaahar.com for reporting the genuine concerns.

The Audit Committee regularly review the working of the Mechanism and no complaint was received during the year. The mechanism provide direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. In case of repeated frivolous complaints being filed by a director or an employee, the Audit Committee may take suitable action against the concerned director or employee including reprimand them. The Company Confirms that no personnel have been denied access to the Audit Committee.

VII. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board in its meeting held on 29th May, 2014 has constituted the Corporate Social Responsibility Committee as per provisions of Section 135 read with Schedule VII of the Companies Act, 2013. The committee consists of Sh. Dinesh Oswal, Managing Director, as Chairman and Dr. S.K. Singla and Sh. Dinesh Gogna, Directors of the Company, are the other members of the Committee.

The terms and reference of the Committee are:-

1. To formulate and recommend the Board a CSR Policy which shall indicate the activities to be undertaken by the Company as laid down in Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.
2. To recommend the amount of expenditure to be incurred on the CSR activities.
3. To monitor the Company's CSR Policy and implementation of CSR projects from time to time.

During the year under review, the Committee met twice

i.e. on 11th August, 2014 and 2nd February, 2015 and the attendance record of the meetings held is as follow:-

| Name of the Member | No. of meetings held Upto 31.03.2015 | No. of meetings attended |
|--------------------|--------------------------------------|--------------------------|
| Sh. Dinesh Oswal | 2 | 2 |
| Dr. S.K. Singla | 2 | 2 |
| Sh. Dinesh Gogna | 2 | 2 |

VIII. GENERAL BODY MEETINGS

- (i) The details of the last three Annual General Meetings are as under:-

| Financial year | Location | Date | Time |
|----------------|--|------------|------------|
| 2011-2012 | Premises of Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana | 20.09.2012 | 10:00 A.M. |
| 2012-2013 | Premises of Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana | 30.09.2013 | 10:00 A.M. |
| 2013-2014 | Premises of Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana | 30.09.2014 | 10:00 A.M. |

(ii) Special Resolutions passed in the previous three Annual General Meetings:

2011-2012

Re-appointment of Managing Director

2012-2013

No Special resolution was passed

2013-14

1. To Borrow money in excess of Paid up Share Capital and Free Reserve
2. To create mortgage and/or charge on Company's property
3. To adopt new set of Articles of Association
4. To approve minimum remuneration to Mr. Dinesh Oswal
5. To approve related party transactions

(iii) Special Resolution passed last year through postal ballot.

No Special resolution was passed during the financial year ended 31.03.2015 through postal ballot.

iv) Proposal of Special Resolution through postal ballot

Presently, no special resolution is proposed to be



conducted through postal ballot.

IX. DISCLOSURES

- i) During the year, there are no material related party transactions made by Company with promoters, Directors, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large. During the year, the Company had not entered in to any contract/arrangement/transaction with related parties which could be considered material in accordance with the provisions of Clause 49 of the Listing Agreement. However, the details of the transactions with Group Companies are disclosed in schedule 28, sub-heading XX in the Notes to Financial Statements as per the applicable provision.
- ii) The Company continues to comply with the requirements of Stock Exchange, SEBI or any statutory authority on all matters related to capital market during last three years. No penalty or strictures have been imposed on the company by the said authorities relating to the above.
- iii) The company complied with not only the mandatory requirements but has also complied with the non mandatory requirements in respect of separate posts of chairman and managing director/CEO.

The Company is yet to comply with the other non mandatory requirements on the listing agreements on Corporate Governance.

X. PREVENTION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of practices and procedures for fair disclosure of unpublished price sensitive information” and “Code of Conduct to regulate, monitor and report trading by insiders. The code help to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company’s shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary being the Compliance Officer is

responsible for implementation of the Code.

XI. MEANS OF COMMUNICATION

The Company’s quarterly results in the format prescribed by the stock exchanges are approved and taken on record by the Board within the prescribed time frame and sent immediately to all Stock Exchanges on which the Company’s shares are listed. These results are published in leading news papers i.e. Business Standard/Financial Express in English and Dainik Jagran in vernacular. Our Quarterly, Half yearly and Annual Results are also displayed on the website of the Company i.e. www.owmnahar.com. Whenever any official news is released, the same is also displayed on the aforesaid website of the company. Likewise whenever any presentation about Company’s working is made to the Financial Institutional Investors or to the analysts, the same is displayed on the Company’s Website.

The Quarterly and Annual Financial statements, Balance sheet, Profit & Loss Account, Directors’ Report, Auditors’ Report, Cash Flow Statement, Corporate Governance Report, Report on Management Discussion and Analysis and Shareholding Pattern etc. can also be retrieved by the investors from the website of the Company, Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

XII. GENERAL SHAREHOLDERS INFORMATION**1. Annual General Meeting:**

Date : September 30, 2015
Day : Wednesday
Time : 11:30 a.m.
Venue : Premises of Nahar Industrial Enterprises Limited, Focal Point, Ludhiana

2. Financial Calendar : The Financial year of the Company covers 1st April, to 31st March.

3. Date of Book Closure : 12th Sept., 2015 to 22th Sept., 2015 (Both days inclusive)

4. Dividend Payment

a) Payment Date : On or Before 10th Oct., 2015

b) Mode of payment : The Company provides



the facility of paying dividend through Electronic Clearing System (ECS). The members desirous of availing the facility of electronic credit of dividend are requested to ensure that their correct bank details along with 9 digit MICR code of their Bank is noted in the records of their Depository Participant (DP), Members who hold shares in physical form, should contact the R&T agents and the Company in this regard. In order to prevent fraudulent encashment of Dividend Warrants, members are requested to provide their correct bank account details, to their DP in case of electronic holding and to the R&T Agent or the Company in case of physical holding.

- c) Unclaimed/Unpaid:** All the unclaimed/unpaid dividend upto financial year ended March 31,2007 have been transferred to the Investor Education & Protection Fund of the Central Government pursuant to Section 205C of the Companies Act, 1956. Further the dividend for the financial year ended 31st March, 2008 will be transferred to the said Fund in November, 2015. All the members who have not encashed their dividend warrants for the aforesaid year may approach the company for obtaining duplicate dividend warrants/ revalidation of the dividend warrants.
- d) Change of address:** Members may kindly note that R&T agent and/or the company will not entertain the requests for noting of the change of address/bank details/ECS mandate in the case of account with the Demat holding. For this purpose the shareholders should approach their Depository Participant (DP).

- 5. Listing on Stock Exchanges:** The National Stock Exchange of India Ltd (NSE) "Exchange Plaza 5th Floor, Plot No.C/1, G-Block, Bandra-Kurla Complex, Bandra (East) Mumbai-400051. The Bombay Stock Exchange Limited (BSE), 25th Floor, P.J. Towers, Dalal Street, Mumbai- 400001. The listing fees payable to BSE and NSE for 2015-16 have been paid in full by the Company.

6. Stock Code :

For trading at NSE : NAHARSPING

For trading at BSE : 500296

7. Demat ISIN number : INE290A01027

The annual custodian fees for the financial year 2015-16 have been paid to the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

8. Dedicated e-mail for Investor Grievance

To enable investors to register their grievances, the Company has designated an exclusive e-mail id i.e. gredressalnsml@owmnahar.com

9. Registration/updation of e-mail address

The Ministry of Corporate Affairs vide Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 has taken "Green Initiative in the Corporate Governance" by allowing paperless compliance by the companies. Further, the Companies Act, 2013 also provide that the Company can now send various notices and documents, including Annual Report, to its shareholders via electronic mode to the registered e-mail addresses of the shareholders. To support this Green Initiative of the Government in full measure, shareholders are requested to register/update their latest e-mail addresses with their Depository Participant (DP) with whom they are having Demat A/c or send the same to the Company via e-mail at secnsm@owmnahar.com or gredressalnsml@owmnahar.com.

10. Compliance Officer

Sh. Brij Sharma, Company Secretary is the Compliance Officer of the Company.

XIII. MARKET PRICE DATA

The month High, Low stock prices during the financial year 2014-2015 are as follows:

| Month | Bombay Stock Exchange | | National Stock Exchange | |
|-----------------|-----------------------|--------|-------------------------|--------|
| | High | Low | High | Low |
| April, 2014 | 114.4 | 98.3 | 114.4 | 97.7 |
| May, 2014 | 125 | 98.3 | 124.9 | 99 |
| June, 2014 | 176.3 | 114.55 | 177.15 | 114.95 |
| July, 2014 | 164.5 | 133.15 | 164.9 | 132.3 |
| August, 2014 | 147 | 105.05 | 147.05 | 104.15 |
| September, 2014 | 118.5 | 98.5 | 118.5 | 97 |
| October, 2014 | 106.6 | 90 | 106.55 | 89.35 |
| November, 2014 | 114.5 | 90 | 115.5 | 90 |
| December, 2014 | 116.9 | 92.8 | 116.85 | 92.1 |
| January, 2015 | 101.5 | 90.9 | 109 | 90.95 |
| February, 2015 | 103.05 | 85.85 | 102.9 | 85.1 |
| March, 2015 | 103.4 | 80.1 | 103 | 79.25 |

Source:- Data has been taken from the website of the Bombay Stock Exchange



and National Stock Exchange. The Company does not have any other sources for verification of Data.

XIV. PERFORMANCE IN COMPARISON TO BROAD BASED INDICES SUCH AS BSE SENSEX:

Comparison between Nahar Spinning Mills Limited closing price variation and BSE Sensex Variation in percentage is as under:

| Financial Year | Share price of Nahar Spinning Mills Ltd. | | | | BSE Sensex | | | |
|----------------|--|-------------|--------------|---------------------------------------|--------------|-------------|--------------|---------------------------------------|
| | Highest (Rs) | Lowest (Rs) | Closing (Rs) | %age Change over last Month's Closing | Highest (Rs) | Lowest (Rs) | Closing (Rs) | %age Change over last Month's Closing |
| 2014-2015 | | | | | | | | |
| April | 114.4 | 98.3 | 101.1 | 2.48 | 22939.31 | 22197.51 | 22417.8 | 0.149 |
| May | 125 | 98.3 | 113.7 | 12.46 | 25375.63 | 22277.04 | 24217.34 | 8.03 |
| June | 176.3 | 114.55 | 157.05 | 38.13 | 25725.12 | 24270.2 | 25413.78 | 4.94 |
| July | 164.5 | 133.15 | 141.5 | -9.90 | 26300.17 | 24892 | 25894.97 | 1.89 |
| August | 147 | 105.05 | 111.95 | -20.88 | 26674.38 | 25232.82 | 26638.11 | 2.87 |
| September | 118.5 | 98.5 | 102.1 | -8.80 | 27354.99 | 26220.49 | 26630.51 | -0.03 |
| October | 106.6 | 90 | 103 | 0.88 | 27894.32 | 25910.77 | 27865.83 | 4.64 |
| November | 114.5 | 90 | 100.1 | -2.82 | 28822.37 | 27739.56 | 28693.99 | 2.97 |
| December | 116.9 | 92.8 | 96.2 | -3.90 | 28809.64 | 26469.42 | 27499.42 | -4.16 |
| January | 101.5 | 90.9 | 91.95 | -4.42 | 29844.16 | 26776.12 | 29182.95 | 6.12 |
| February | 103.05 | 85.85 | 95.95 | 4.35 | 29560.32 | 28044.49 | 29361.5 | 0.61 |
| March | 103.4 | 80.1 | 86.8 | -9.54 | 30024.74 | 27248.45 | 27957.49 | -4.78 |

Source:- Data has been taken from the Website of the Bombay Stock Exchange Limited. The Company does not have any other sources for verification of data.

XV. REGISTRAR AND TRANSFER AGENTS

As per SEBI circular no. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, Company has appointed M/s Alankit Assignments Limited as registrar for Share Transfer and Electronic Connectivity. Accordingly, all the shareholders, investors, Members of Stock Exchanges, Depository Participants and all other concerned are requested to send all the communications in respect of Share Transfer, Demat/Remat, Change of address etc. to our Registrar whose address and telephone nos. etc. have already been mentioned in the Director's Report. In case any query/complaint remains unresolved with our Registrar please write to the Company Secretary at the registered office of the company.

XVI. SHARE TRANSFER SYSTEM

The Company has constituted Share Transfer Committee consisting of four members, namely Sh. Dinesh Oswal, Managing Director, Sh. Dinesh Gogna, Sh. S.K. Sharma, Directors and Sh. Brij Sharma, Company Secretary of the company. The Share Transfer Committee meets twice in a month to approve the transfer/ transmission/ transposition, issue of duplicate share certificates and duly transferred shares are generally dispatched within prescribed period under the Companies Act, 2013/ Guidelines of the stock exchanges.

As required under the clause 47(c) of the Listing Agreements entered into by the Company with the Stock Exchanges, a certificate is obtained every six months from a Practising Company Secretary with regard to inter alia, effecting transfer, transmission,

Sub-division, consolidation, renewal and exchange of Equity Shares with in 15 days from their lodgement. The certificates are forwarded to BSE and NSE, where the equity shares are listed.

XVII. NOMINATION FACILITY

Individual shareholders holding physical shares can nominate any person for the shares held by them. This will save the nominee from going through the lengthy process for getting the shares later on transmitted to his/her name. For further details, shareholders may write to the RTA of the Company.

XVIII. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2015:

As on March 31, 2015 your Company had 38790 shareholders having a total of 36065303 equity shares. The following is the distribution of Shareholding.

| No. of Shares held | No. of Share Holders | %of Share Holders | Aggregate No. of Shares Held | % of Share Holding |
|--------------------|----------------------|-------------------|------------------------------|--------------------|
| 1-500 | 35960 | 92.28 | 4478610 | 12.42 |
| 501-1000 | 1629 | 4.18 | 1215689 | 3.37 |
| 1001-2000 | 682 | 1.75 | 997935 | 2.77 |
| 2001-3000 | 252 | 0.65 | 638231 | 1.77 |
| 3001-4000 | 104 | 0.27 | 368670 | 1.02 |
| 4001-5000 | 80 | 0.20 | 370994 | 1.03 |
| 5001-10000 | 142 | 0.36 | 1036765 | 2.87 |
| 10000 and above | 121 | 0.31 | 26958409 | 74.75 |
| TOTAL | 38970 | 100.00 | 36065303 | 100.00 |

XIX. THE SHAREHOLDING PATTERN AS ON MARCH 31, 2015 AS FOLLOWS:

| Shares held by | No. of Shares | % of shareholding |
|-------------------------------------|-----------------|-------------------|
| Banks and Mutual Funds | 25448 | 0.07 |
| Foreign holdings (FIIs, NRIs, OCBs) | 113290 | 0.31 |
| Bodies Corporate | 2058383 | 5.71 |
| Directors/Relatives of Directors | 4522 | 0.01 |
| General Public | 10484235 | 29.07 |
| Promoters | 23379425 | 64.83 |
| Total | 36065303 | 100.00 |

XX. DEMATERIALISATION OF SHARES AND LIQUIDITY.

The Securities and Exchange Board of India (SEBI) has included Company's scrip in compulsory demat settlement for all type of investors. Thus, the dealing in Company's equity shares can be in demat form only. To facilitate holding and trading of securities in electronic form, your Company has established connectivity with both the Depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The investors have



an option to dematerialise their equity shares with either of the Depositories. As on date, 95.17% of the total equity capital of the Company have been dematerialised.

XXI. OUTSTANDING GDRs/ADRs/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Company does not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments which is likely to have any impact on the equity of the Company.

XXII. PLANT LOCATIONS :

373, Industrial Area-A, Ludhiana
427, Industrial Area-A, Ludhiana
Dhandari Kalan, G.T. Road, Ludhiana
Village Simrai, Mandideep, Distt. Raisen (M.P.)
Village Lalru and Lehli, Distt. S.A.S. Nagar (Pb.)
Village Jalalpur, Distt. S.A.S. Nagar (PB.)
Village Jodhan, Distt. Ludhiana
Village Jitwal Kalan, Tehsil Malerkotla, Distt. Sangrur

XXIII. Address for : NAHAR TOWER
Correspondence 373, Industrial Area-A,
Ludhiana - 141 003 (Pb.)
Phone No. : 0161-2665000
Fax No. : 0161-2601956, 2222942
E-mail address : secnsm@owmnahar.com

Website : www.owmnahar.com

XXIV. CEO/CFO CERTIFICATION

As required under Clause 49 of the Listing Agreement, a Certificate duly signed by Managing Director and Chief Financial Officer was placed at the meeting of Board of Directors held on 30.05.2015.

XXV. SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL

The Securities and Exchange Board of India has directed vide Circular No.D&CC/FITTC/CIR-16/2002 dated 31st December, 2002 that all issuer companies shall submit a certificate of capital integrity, reconciling the total share held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued/paid-up capital. The said certificate duly certified by a practicing Company Secretary is submitted to the Stock Exchanges where the securities of the Company are listed within 30 days of the end of the each quarter.

FOR AND ON BEHALF OF THE BOARD

PLACE: LUDHIANA
DATED: 5th August, 2015

JAWAHAR LAL OSWAL
(Chairman)
DIN: 00463866

MANAGING DIRECTOR'S DECLARATION

Pursuant to the requirement of Clause 49 of the listing agreement, I hereby confirm that all Board Members and Senior Management personnel (as defined in the abovesaid Clause 49) of the Company have affirmed compliance with 'Code of Conduct for Board & Senior Management Personnel' for the year ended 31st March, 2015.

Place: Ludhiana
Dated: 5th August, 2015

Dinesh Oswal
Managing Director
DIN: 00607290

**ANNEXURE - VIII****MANAGEMENT DISCUSSION AND ANALYSIS****Industry Structure and Developments**

Textile Industry has played a key role in the country's progress over the years and the situation is likely to gain momentum in the times ahead. The Industry continues to hold a dominant position in country's economic structure because of its huge contribution towards employment generation, Industrial Output and Export earnings and meets out the basic needs of people at large, popularly pronounced as Roti, '**Kapada**' aur Makan. It is also an established fact that in any country which is on the path of growth, from developing to developed countries, growth of Textile industry becomes a priority. Therefore it is expected that looking at the expected growth of Indian economy down the line. Textile industry will certainly look up. There will definitely upward movement in demand for the Textile products. From National economic growth point of view it is noticed that Textile industry provides employment to 45 million people, contributes about 5% to India's GDP, 14% to Index of Industrial Production(IIP). It contributes 11% to the country's total exports basket. (source: www.ibef.org) As per current estimation size of Indian Textile Industry is around \$110 billion but the Government of India through its National Textile Policy and National Textile vision document has set the target for Indian Textile and apparel industry to \$350 billion by 2025 (domestic \$200 billion and Export \$150 billion). With this ambitious target the industry can change the job scenario and manufacturing landscape thereby fulfilling the Prime Minister vision to put textile segment as part of "MAKE IN INDIA" programme.

To give a further push to the textile industry, the Government too has initiated several measures which includes 100 percent FDI in the Indian Textile Sector under the Automatic Route, Duty Free Entitlement to Garment Exports, Proposed 24/7 customs clearance facility at 13 airports and 14 sea ports, Integrated Skill Development scheme, North East Region Textile Promotion Scheme, Focus Market scheme etc. It is expected that these measures will help the Industry to grow further and increase its global share, which is poor second to China, at present.

In line with the global trends and to remain competitive, your company continues to modernize, upgrade and expand its capacities. The company's expansion cum modernization plan has been completed during the year. After the said expansion Company's spindle capacity stands increased to 498592 spindles and 1080 rotors. This enhancement/upgradation of capacities is with the idea of VALUE ADDITION and also reach to the OPTIMUM LEVEL OF ECONOMIES OF SCALE. As you are aware this is a must for Textile Industry, which is a

very capital intensive industry and growth is expected only when there is a value addition and the optimum level of economies of scale. Thus your company has positioned itself as one of the leading integrated Textile Players to reap the benefits of economies of scale and become globally competitive in terms of cost and quality.

Opportunities and Threats

The past year has been a challenging year for the Textile Industry with lots of ups and downs. In spite of the above, the industry has been able to maintain its steady performance during the year under review. The recoveries in US, European and Asian economies is good for the Industry and will boost the exports to these economies.

The slowdown of China textile exports on account of various factors i.e. Increased labour cost, currency value and increased domestic demand is providing new place of opportunities as per the theory of "expected vacating places". This is going to prove blessing in disguise for the Indian Textile industry and offer an excellent opportunity for increasing Textile exports to the overseas markets.

The developed countries including US, UK, Germany and Japan all have accepted the reality that commercially it is not viable for them to have a thriving textile industry, because of high cost of labour and skilled manpower. Hence imports are the only solution to meet their requirements, especially of garments. These countries are looking at India as suitable and reliable choice for their requirements of Garment. This is a huge opportunity and it must be grabbed by the Textile Industry so that it can increase its share in the Global trade.

Besides India's consumption growth story, driven by favourable demographic trends and rising income level, is still intact and will further improve the fortunes of the industry.

From the above it is evident that there are ample opportunities for the industry to increase its share in the domestic as well as global markets. Seeing the good prospects of growth of the Textile Industry, the Government of India through its National Textile Policy and National Textile vision document has set the target for Indian Textile and Apparel industry to \$350 billion by 2025 (domestic \$200 billion and Export \$150 billion).

Though the future of the Textile industry appears to be bright but it is not free from normal business risks and threats. The Indian Textile exports continues to face stiff challenges from the small countries like Bangladesh, Sri Lanka, Taiwan and Pakistan etc., who have got the preferred treatment from the countries of European union and U.S. Instead of giving additional incentives to compete with these countries, the government has withdrawn the focus Market Scheme, whereby



companies were getting incentives of two percent for exports to Central American countries and Europe. This is going to affect the Indian Textile Industry severely and exports to these countries has already been affected badly. Moreover the volatile currency fluctuations is also a matter of concern as any appreciation in Rupee could result fall in exports as Indian goods will become costlier as compared to other countries and will affect exports.

From the above it is evident that the opportunities are more than the challenges. The government must support the industry to retain its competitive edge and face the challenges for future sustainability and growth. .

Future Outlook

We would like to inform you that the last year has been a challenging year for the textile industry. The slowdown in the global demand from US, European Union and other countries adversely affected the Textile Industry. Likewise changes in China Textile Policy severely affected the country's export to that country.

In spite of the above, we are of the firmed opinion that the future of the Textile Industry is quite promising. We hope that with the the recoveries in economies of U.S.A and European Union will propel the growth of the Textile Industry. Moreover the growth drivers of the yesteryears, such as ever growing retailing sector and increased purchasing power of both urban and rural people, are still present in the economy and will lead to the growth of the Industry. The shifting of orders from China to India, due to various favourable factors will also help the Industry to increase its global share.

Your management is quite optimistic that the industry will be able to meet the challenges ahead and will emerge as a winner. We also expect that the Government will continue to support the industry in the form of favourable Textile policies, incentives and other benefits which are of paramount importance for the future growth of the Industry.

Risks and concerns

No industry is free from normal business risk and concerns. Indian Textile Industry continues to face stiff competition from China, Bangladesh, Taiwan Sri Lanka and other emerging economies. The relative competitiveness of Industry is dependent upon the raw cotton prices, exchange rates and prevalent interest rates regime. The primary raw material for the manufacturing of yarn is cotton with share of around 60% of total cost. Cotton being an agriculture produce, its supply and quality are subject to forces of nature i.e. Monsoon. Any increase in the prices of raw cotton will make the things difficult for the Textile Industry resulting weak demand and thin margins. Thus availability of raw cotton at the reasonable prices is crucial for the spinning industry. Any significant change in the raw cotton prices

can affect the performance of the Industry.

The favourable exchange rate has provided a short term relief to the exporters but the situation is not likely to continue in future. The Reserve Bank of India as a Central Bank has started taking steps to stabilise the rupee as stable currency is not only good for the industry but for the country as well.

The high rate of interest and tight monetary policy are affecting the financial performance of the textile industry. Though RBI has taken some remedial measures in this regard but still a lot more is required as the Textile Industry is a capital intensive industry.

In addition to the above, the other concerns are like increased power costs, uninterrupted power supply, higher transaction costs, high cost of labour, continuously increasing prices of raw material are posing a risk to the growth of Indian Textile Industry. Further to give boost to the industrialisation of the state, some Governments through their industrial policies have announced certain incentives for the New Industrial units in their state. Though it is advantageous to the new industrial units as they will have differential benefits in view of the different policies of the state nevertheless existing industrial units needs some compensatory benefits like freight equalisation policy for having equilibrium for Textile Industry at large. This will enable them to become Globally competitive and contribute towards the growth of the state as well as country.

Internal Control Systems and their adequacy

The Company is maintaining an efficient and effective system of Internal control for the facilitation of speedy and accurate compilation of financial statements. The company's Internal control system commensurate with the nature of its business and the size of its operations. In order to further strengthen the Internal control system and to automate the various processes of the business, company is making use of Enterprises Resource Planning (ERP).

Pursuant to the provisions of section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Company has also appointed Internal Auditor. The Company is also having an Internal Audit Department to test the adequacy and effectiveness of Internal Control Systems laid down by the management and to suggest improvement in the systems.

Apart from this, an Audit Committee consisting of three non executive directors has been constituted. All the significant audit observation and follow up action thereon are taken care of by the Audit Committee. The Audit Committee met four times during the financial year under review. The Company has also established a Vigil Mechanism as per section 177(9) of Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014.

**Financial Operation and Performance**

The Company is operating in one segment only i.e. 'Textile'. During the year under review, your company has performed well. The company achieved a operating income at Rs. 2149.61 crores out of which Rs. 1393.20 crores is export turnover. The Company earned a profit before tax and depreciation of Rs. 145.40 crores. After providing for depreciation, income tax (including adjustment of tax of earlier year) and deferred tax, the Company earned a net profit of Rs. 20.21 crores. The detailed performance has already been discussed in the Director's Report under the column 'Operational Review'.

Human Resources/Industrial Relations

Beyond Balance Sheet lies Company's singly biggest Asset Human Resources. The Company is of firm belief that the Human Resources are the driving force that propels a company towards progress and success. The company continued its policy of attracting and recruiting

the best available talent so that it can face business challenges ahead. The Company also offers attractive compensation packages to retain and motivate the professionals so that they can give their best. The total permanent employees strength of the Company was 12071 as on 31st March, 2015. The industrial relation continued to remain cordial during the year.

Cautionary Statement

Though the statement and views expressed in the abovesaid report are on the basis of best judgement but the actual future results might differ from whatever is stated in the report.

FOR AND ON BEHALF OF THE BOARD**PLACE: LUDHIANA**
DATED: 5th August, 2015**JAWAHAR LAL OSWAL**
(Chairman)
DIN: 00463866**CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members
Nahar Spinning Mills Limited

We have examined the compliance of conditions of corporate governance by NAHAR SPINNING MILLS LIMITED for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the Directors and Management, we hereby certify that the Company has duly complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Gupta Vigg & Co.,
Chartered Accountants
Firm Reg. No. 001393N**VINOD KUMAR KHANNA**
(Partner)**Place: Ludhiana**
Dated: 5th August, 2015**M.No. 81585**



INDEPENDENT AUDITORS' REPORT

The Members of
M/s Nahar Spinning Mills Limited,
LUDHIANA.

Report on the Financial Statements We have audited the accompanying standalone financial statements of M/s. Nahar Spinning Mills Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account, as required by law have been kept by the Company so far, as appears from our examination of such books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e. On the basis of written representations received from the directors as on 31st March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act,.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
- (i) The company has disclosed the impact of pending litigations on its financial position in its financial statements Refer Note 25(c), (d), (e) and (g) to the financial statements.
- (ii) The company has made provision as required under the applicable law or accounting standards in respect of long term derivative contracts if any on mark to market basis. There are no other long term contacts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- b) Based on information and explanations given to us and the records produced to us, in our view the procedures of physical verification of inventory followed by the management during the year are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory. As per the information given to us, the discrepancies noticed on physical verification of Inventories as compared to book records were not material and have been dealt properly in the books of account.

- iii) (a) The company has granted unsecured loans to 2 (two) the companies covered in the register maintained under section 189 of the Companies Act. (b) In our opinion and according to the information and explanations given to us, the receipt of principal amount and interest in respect of the aforesaid loan are regular and there is no overdue amount in respect of principal and interest.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- v) According to the information and explanations given to us, the company has not accepted deposits from public during the year covered under the provisions of section 73 or 76 any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014.
- vi) We have broadly reviewed the cost records maintained by the Company pursuant to the sub-section (1) of section 148 of the Companies Act, specified by the Central Government and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete
- vii) (a) According to the information and explanations given to us and records of the Company examined by us, the company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts in respect of statutory dues payable were outstanding as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

For GUPTA VIGG & CO.
Chartered Accountants
Firm Regn.No.001393N

Place: LUDHIANA.
Dated: 30.05.2015

VINOD KUMAR KHANNA
PARTNER
M.NO. 081585

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of even date)

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) According to the information and explanations given to us, the company has adopted a policy of physically verification of the fixed assets in a phased manner. In accordance with this policy, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- ii) a) Physical verification has been carried out by the Management in respect of inventory at reasonable intervals including as on March 31, 2015. In our opinion the frequency of verification is reasonable.



According to the information and explanation given to us, no order under its aforesaid sections has been passed by the company law board or the Reserve Bank of India or any Court or any other Tribunal on the company.

(b) According to the records of the company, the disputed statutory dues that have not been deposited on account of matters pending before the appellate authorities in respect of sales tax, duty of custom, service tax, duty of excise, value added tax and income tax are given below:

| Name of due/ Name of Statute | Amount (In Lacs) | Financial year to which it Relates | Forum where dispute is pending |
|---|---------------------|--|---|
| MP Vat Act | Rs. 2.94 | 2010-11 | Appellate Board Commercial Tax, Bhopal |
| Finance Act, 1994 | Rs. 11.49 | 2004-05, 2005-06 | High Court of Jabalpur |
| Central Excise Act 1944 | Rs. 4.70 | 1994-95 | High Court of Jabalpur |
| Customs Act 1962 | Rs. 0.93 | 2006-07 | High Court of Jabalpur |
| Central Excise Act 1944 | Rs.17.46 | 2000-01 2001-02 | High Court of Jabalpur |
| MP Upkar (Sansodhan Tatha Vidhimany atakaran) Adhiniyam, 2004 | Rs.129.19 | 2003-04 | Cess on Electricity |
| Income Tax Act, 1961 | Rs. 28.21 | 2010-11 | ITAT |
| Finance Act, 1994 | Rs. 2.83 | 2007-08 | CESTAT |
| Central Excise Act 1944 | Rs. 33.76 | 2006-07 | CESTAT |
| Central Excise Act 1944 | Rs. 0.91 | 2009-10 | CESTAT |
| Income Tax Act, 1961 | Rs. 294.10 | 2011-12 | ITAT |

(c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time..

- viii) In our opinion and according to the information and explanations given to us, the company does not have accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or banks.
- x) In accordance with the information and explanations given to us, the Company has given guarantees for

loans taken by others from bank or financial institutions. The terms and conditions at which guarantees have been given are not prejudicial to interests of the company.

- (xi) In our opinion and according to the information and explanations given to us, the term loans taken during the year by the Company have been applied for the purpose for which they were raised.
- (xii) Further on the basis of information and explanation given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For GUPTA VIGG & CO.
Chartered Accountants
Firm Regn.No.001393N

Place: LUDHIANA.
Dated: 30.05.2015

VINOD KUMAR KHANNA
PARTNER
M.NO.081585

**CASH FLOW STATEMENT FOR THE YEAR 1ST APRIL, 2014 TO 31ST MARCH, 2015 PURSUANT TO
CLAUSE 32 OF THE LISTING AGREEMENT** (Rs. in Lacs)

| PARTICULARS | Current Year | Previous Year |
|---|---------------------|----------------------|
| Cash Flow from Operating Activities | | |
| Net Profit Before Tax and Extra ordinary activities | 1483.93 | 20450.40 |
| Adjustments for : | | |
| Depreciation (net of exceptional items) ref note 28xvii(a) | 13,023.18 | 8,815.74 |
| Finance Cost | 7,948.41 | 6,447.26 |
| Interest received | (365.90) | (253.94) |
| Dividend Income | (8.70) | (8.87) |
| Provision for doubtful debts | 0.00 | 65.60 |
| Net Gain on Sale of Investments | (105.46) | (2.88) |
| Profit/ Loss on sale of Fixed Assets/ subsidies adjustments | (131.45) | (120.80) |
| Operating Profit before Working Capital Changes | 20360.08 | 14,942.11 |
| Adjustment for: | 21844.01 | 35392.51 |
| Trade Receivables | 2,689.65 | (4,115.60) |
| Inventories | 3,036.34 | 4,795.65 |
| Increase/Decrease in Short term Loans & Advances | (1,236.76) | (34.96) |
| Increase/Decrease in Long Term Loans & Advances | 1,695.61 | (817.73) |
| Increase/Decrease in Short Term Borrowings | (8,009.58) | (9,656.71) |
| Increase/Decrease in Other current liabilities | (773.48) | 1,161.70 |
| Trade Payables | (2,258.54) | 2,120.69 |
| Cash Generated from Operations | (4,856.76) | (6,546.96) |
| Interest paid | (4,146.42) | (3,696.04) |
| Direct Taxes Paid | (359.61) | (4,274.50) |
| Net cash flow from operating Activities | 16,987.25 | 28,845.55 |
| Cash Flow from investing activities | | |
| Purchase of Fixed Assets | (12,788.43) | (18,679.85) |
| Capital Work in Progress | 3,173.51 | (2,314.82) |
| Sale of Fixed Assets | 271.34 | 257.53 |
| Sale of Investments | 999.84 | 102.88 |
| Interest Received | 365.90 | 253.94 |
| Dividend Income | 8.70 | 8.87 |
| Increase in Investment | (7.09) | (705.12) |
| Net cash used in investing activities | (7,976.23) | (21,076.57) |
| Cash Flow from Financing Activities | | |
| Proceeds from Long Term Borrowings | 9,195.19 | 11,207.56 |
| Repayment of Long Term Borrowings | (9,338.45) | (8,335.43) |
| Interest Paid | (3,801.99) | (2,751.22) |
| Dividend Paid | (360.65) | (360.65) |
| Corporate Dividend Tax Paid | (61.29) | (61.29) |
| Net Cash Used in Financing Activities | (4,367.19) | (301.03) |
| Net Increase in Cash & Cash Equivalents | 137.80 | (502.59) |
| Opening Cash and Cash Equivalents and other bank balances | 800.50 | 1,303.09 |
| Closing Cash and Cash Equivalent and other bank balances | 938.30 | 800.50 |

For & On behalf of the Board

Place : Ludhiana
Date : 30.05.2015BRIJ SHARMA
Company SecretaryANIL GARG
Chief Financial OfficerS.K.SHARMA
DirectorJ.L. OSWAL
Chairman**AUDITOR'S CERTIFICATE**

We have checked the above Cash Flow Statement of NAHAR SPINNING MILLS LIMITED, derived from the audited financial statement for the year ended 31st March, 2015 with the books and records maintained in the ordinary course of business and found the same in accordance therewith.

Place : Ludhiana
Date : 30.05.2015For **GUPTA VIGG & COMPANY**
Chartered Accountants
Firm Reg.No.001393N**VINOD KUMAR KHANNA**
Partner
(M.No.081585)

**BALANCE SHEET AS AT 31ST MARCH, 2015**

(Rs. In Lacs)

| PARTICULARS | NOTE NO. | Current Year | Previous Year |
|------------------------------------|----------|------------------|------------------|
| I. Equity and Liabilities | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 1 | 1805.31 | 1805.31 |
| (b) Reserves and Surplus | 2 | 74227.14 | 74543.87 |
| (2) Non-Current Liabilities | | | |
| (a) Long-term borrowings | 3 | 34627.72 | 36606.99 |
| (b) Deferred tax liabilities (Net) | 4 | 4317.00 | 6185.00 |
| (3) Current Liabilities | | | |
| (a) Short-term borrowings | 5 | 62301.81 | 70311.39 |
| (b) Trade Payables | 6 | 3128.88 | 5387.42 |
| (c) Other current liabilities | 7 | 18469.39 | 17406.86 |
| (d) Short-term provisions | 8 | 1384.07 | 5161.94 |
| Total | | 200261.32 | 217408.78 |
| II. Assets | | | |
| 1) Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 9 | 86716.03 | 89973.54 |
| (ii) Intangible assets | 9 | 0.00 | 1.21 |
| (iii) Capital work-in-progress | | 2973.24 | 6146.75 |
| (b) Non-current investments | 10 | 695.59 | 885.39 |
| (c) Long term loans and advances | 11 | 2943.45 | 4639.06 |
| 2) Current assets | | | |
| (a) Current investments | 12 | 200.00 | 897.49 |
| (b) Inventories | 13 | 56921.99 | 59958.33 |
| (c) Trade receivables | 14 | 38495.59 | 41185.24 |
| (d) Cash and Bank Balances | 15 | 938.30 | 800.50 |
| (e) Short-term loans and advances | 16 | 10377.13 | 12921.27 |
| Total | | 200261.32 | 217408.78 |

As per our report of even date annexed
For **GUPTA VIGG & COMPANY**
Chartered Accountants
Firm Reg.No.001393N

For & On behalf of the Board

VINOD KUMAR KHANNA Partner
(M.No.081585)

BRIJ SHARMA
Company Secretary

ANIL GARG
Chief Financial Officer

S.K.SHARMA
Director

J.L. OSWAL
Chairman

Place: Ludhiana
Date : 30.05.2015

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

(Rs. In Lacs)

| PARTICULARS | NOTE NO. | Current Year | Previous Year |
|---|----------|------------------|---------------|
| Income | | | |
| Revenue from operations | 17 | 214962.21 | 220420.53 |
| Less: Excise Duty | | 1.23 | 1.64 |
| | | 214960.98 | 220418.89 |
| Other Income | 18 | 1130.04 | 696.16 |
| Total Revenue | | 216091.02 | 221115.05 |
| Expenses: | | | |
| Cost of materials consumed | 19.a | 127448.66 | 123260.62 |
| Purchase of Stock-in-Trade | 19.b | 466.82 | 2162.97 |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 20 | -279.71 | -3860.60 |
| Employee benefit expense | 21 | 17617.92 | 16545.58 |
| Finance costs | 22 | 7948.41 | 6447.26 |
| Depreciation and amortization expense | 9 | 13056.21 | 8815.74 |
| Other expenses | 23 | 48381.81 | 47293.08 |
| Total Expenses | | 214640.12 | 200664.65 |
| Profit/(Loss) before exceptional items and tax | | 1450.90 | 20450.40 |
| Exceptional items [refer note 28 xvii(a)] | | -33.03 | 0.00 |
| Profit/(Loss) before tax | | 1483.93 | 20450.40 |
| Tax expense: | | | |
| 1) Current tax | | | |
| Provision for Taxation | | 950.00 | 4900.00 |
| Less: MAT Entitlement | | 615.00 | 575.00 |
| | | 335.00 | 4325.00 |
| 2) Deferred tax | | -887.70 | 1550.00 |
| | | -552.70 | 5875.00 |
| Profit(Loss) from the period | | 2036.63 | 14575.40 |
| Earning per equity share: | 27 | | |
| 1) Basic | | 5.60 | 40.29 |
| 2) Diluted | | 5.60 | 40.29 |

Accompanying notes form integral part of the financial statements

As per our report of even date annexed
For **GUPTA VIGG & COMPANY**
Chartered Accountants
Firm Reg.No.001393N**For & On behalf of the Board****VINOD KUMAR KHANNA**
Partner
(M.No.081585)**BRIJ SHARMA**
Company Secretary**ANIL GARG**
Chief Financial Officer**S.K.SHARMA**
Director**J.L. OSWAL**
Chairman**Place: Ludhiana**
Date : 30.05.2015



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. In Lacs)

| Note No. | PARTICULARS | Current Year | Previous Year | | |
|-----------|---|-----------------------|-----------------|-----------------------|-----------------|
| 1. | SHARE CAPITAL | | | | |
| | A) AUTHORISED | | | | |
| | 600,00,000 Equity Shares of Rs.5/- each (Previous Year 60000000 Equity Shares of Rs.5/- Each) | <u>3000.00</u> | <u>3000.00</u> | | |
| | B) ISSUED SUBSCRIBED & PAID UP | | | | |
| | 36065303 Equity Shares of Rs.5/- Each fully paid up (Previous Year 36065303 of Rs.5/- Each) | <u>1803.27</u> | <u>1803.27</u> | | |
| | Add : Share Forfeited Account (Amount originally paid up) | <u>2.04</u> | <u>2.04</u> | | |
| | TOTAL | <u>1805.31</u> | <u>1805.31</u> | | |
| | a) Terms/rights attached to equity shares | | | | |
| | The company has only one class of shares having par value at Rs. 5/-per share. Each holder of equity shares is entitled to one vote per share | | | | |
| | b) Reconciliation of number of shares | | | | |
| | Number of shares at the beginning of the Financial year | <u>36065303</u> | <u>36065303</u> | | |
| | Add: Shares Issued During the year | - | - | | |
| | Less: Share buy back during the year | - | - | | |
| | Number of shares at the end of the Financial year | <u>36065303</u> | <u>36065303</u> | | |
| | c) Detail of shareholders holding more than 5% shares | | | | |
| | Name of the Shareholder | No. of Shares Held | %Age | No. of Shares Held | %Age |
| | 1. Nahar Capital and Financial services Limited | <u>10257384.00</u> | <u>28.44</u> | <u>10257384.00</u> | <u>28.44</u> |
| | 2. Nahar Poly Films Limited | <u>6902244.00</u> | <u>19.14</u> | <u>6902244.00</u> | <u>19.14</u> |
| | 3. Nahar Industrial Enterprises Limited | <u>2356930.00</u> | <u>6.54</u> | <u>2356930.00</u> | <u>6.54</u> |
| | d) Forfeited Shares (amount originally paid up) | | | | |
| | Amount Paid Up | No. of Shares | | No. of Shares | |
| | Rs. 2.50 per Share | <u>80298</u> | | <u>80298</u> | |
| | Rs. 5.00 per Share | <u>710</u> | | <u>710</u> | |
| 2. | RESERVES AND SURPLUS | | | | |
| | A) Capital reserve | | | | |
| | Balance as per Last Balance Sheet | <u>1363.86</u> | | <u>1363.86</u> | |
| | B) Securities premium reserve | | | | |
| | Balance as per Last Balance Sheet | <u>20959.85</u> | | <u>20959.85</u> | |
| | C) Capital Subsidy | | | | |
| | Balance as per Last Balance Sheet | <u>150.00</u> | | <u>150.00</u> | |
| | D) General Reserve | | | | |
| | Balance as per Last Balance Sheet | <u>46961.67</u> | | <u>37961.67</u> | |
| | Less : Value of the Asset Adjusted [refer note 28 xvii(b)] | <u>1903.77</u> | | <u>0.00</u> | |
| | Add: Transfer From Surplus | <u>1500.00</u> | <u>46557.90</u> | <u>9000.00</u> | <u>46961.67</u> |



(Rs. In Lacs)

| Note No. | PARTICULARS | Current Year | Previous Year |
|-----------|--|-----------------|-----------------|
| | E) Surplus | | |
| | Balance as per Last Balance Sheet | 5108.49 | 0.00 |
| | Profit/(Loss) Transfer From Profit & Loss A/c | 2036.63 | 14575.40 |
| | Less: Adjustment of Income Tax earlier Years | 15.52 | 44.97 |
| | Less: Proposed Dividend | 360.65 | 360.65 |
| | Less: Tax on Dividend | 73.42 | 61.29 |
| | Less: Balance Transfer to General Reserve | 1500.00 | 9000.00 |
| | Balance at the end | 5195.53 | 5108.49 |
| | TOTAL | 74227.14 | 74543.87 |
| 3. | LONG TERM BORROWINGS | | |
| | SECURED | | |
| | TERM LOANS | | |
| | I. FROM STATE BANK OF INDIA | 2567.10 | 2970.50 |
| | The Term loans are secured by first charge on the entire fixed assets of the company on pari-passu basis with consortium member banks. The term loans are personally guaranteed by three Directors of the company. | | |
| | - Term loan of Rs.6000 Lacs is repayable in quarterly installments by 31/12/2015. ROI is 11.50% p.a | | |
| | - Term loan of Rs.8000 Lacs (reduced from 117 lacs) is repayable in quarterly installments by 31/03/2020 ROI is 10.45% p.a | | |
| | II. FROM STATE BANK OF PATIALA | 3842.18 | 5502.81 |
| | Term Loan of Rs. 8500 Lacs is secured by first Pari-passu charge on all the present and future fixed assets of the company along with other term lenders. This loan is also personally guaranteed by three directors of the company. | | |
| | - Term loan of Rs.8500 Lacs is repayable in quarterly installments by 01/04/2018. ROI is 11.25% p.a | | |
| | III. FROM PUNJAB NATIONAL BANK | 239.23 | 1196.17 |
| | Sanctioned Term Loan of Rs.8800 Lacs is secured by first Pari-passu Charge on the units of Mandideep, Lalru (except unit - III Lalru) and Ludhiana and also personally guaranteed by three Directors of the Company. | | |
| | - Term loan of Rs.8800 Lacs is repayable in quarterly installments by 31/03/2016. ROI 10.75% p.a | | |
| | IV. FROM ORIENTAL BANK OF COMMERCE | 7124.31 | 10371.23 |
| | Sanctioned Term Loan of Rs.12400 Lacs of erstwhile Nahar Exports Limited is secured by first charge on specific fixed assets i.e. Hypothecation of Plant & Machinery to be Purchased under the project of estimated cost | | |



(Rs. In Lacs)

| Note No. | PARTICULARS | Current Year | Previous Year |
|------------|---|------------------------|------------------------|
| | of Rs. 15571 Lacs of the units situated at Jodhan and Jitwal Kalan. Sanctioned Term Loans is personally guaranteed by a Director of the Company. Sanctioned Term Loan of Rs.7500 Lacs is secured by first Pari-Passu charge on the Units of Mandideep, Lalru (except unit - III) and Ludhiana. Further term loan of Rs.13000 Lacs is secured by first charge on fixed assets of the company (Except assets exclusively financed by State Bank of India) on pari - passu basis with other term lenders. The Term Loans are personally guaranteed by three Directors of the Company. - Term loan of Rs.7500 Lacs is repayable in quarterly installments by 30/09/2016. - Term loan of Rs.12400 Lacs is repayable in quarterly installments by 01/01/2017. - Term loan of Rs.13000 Lacs is repayable in quarterly installments by 01/01/2021. ROI is 11.25% p.a | | |
| V. | FROM CANARA BANK Secured by first charge on specific fixed assets of the units situated at Jodhan. It is further secured by Pari-Passu second charge on existing fixed assets of erstwhile Nahar Exports Ltd. alongwith other banks. The Term Loan is personally guaranteed by three Directors of the Company. - Term loan of Rs. 7000 lacs is repayable in quarterly installments by 09/09/2015. ROI is 11% p.a | 0.00 | 389.77 |
| VI | FROM IDBI BANK LTD Secured by first Pari passu Charge (hypothecation) on all fixed movable assets and Negative Lien on Immovable fixed assets (land & Building) The Term Loan is personally guaranteed by three Directors of the Company. - Term loan of Rs.11000 Lacs repayable in quarterly installments by 01/07/2020. ROI is 11% p.a | 5985.24 | 7206.25 |
| VII | FROM ALLAHABAD BANK Secured by first Pari-Passu charge on the entire fixed assets of the Company both present and future. The Term Loan is personally guaranteed by three Directors of the Company. - Term loan of Rs 19700 lacs. is repayable in quarterly installments and last installment due on 30/09/2019. ROI is 11% p.a | 14869.66 | 8970.26 |
| | TOTAL | <u>34627.72</u> | <u>36606.99</u> |



| | | | (Rs. In Lacs) |
|-----------|--|------------------------|-----------------|
| Note No. | PARTICULARS | Current Year | Previous Year |
| 4. | DEFERRED TAX LIABILITIES (NET) | | |
| | Timing Difference on account of Depreciation, change in rate of Tax etc. | 4521.00 | 6195.20 |
| | Add/Less: Timing Difference on account of Allowances under section 43B, Loss & Others | 204.00 | 10.20 |
| | TOTAL | <u>4317.00</u> | <u>6185.00</u> |
| 5. | SHORT TERM BORROWINGS | | |
| | Loans repayable on Demand (Secured) | | |
| | WORKING CAPITAL BORROWINGS FROM BANKS | 62301.81 | 70311.39 |
| | Secured by (I) Hypothecation of entire present and future movable assets of the company such as Stock of Materials, Work in process, Finished Goods, Goods in transit, Stores and Spares, Book Debts etc. (II) 2nd Charge (on pari-passu basis) over entire plant and machinery, present or future, of all the units of the company and also personally Guaranteed by Chairman, Managing Director and one Director of the Company. | | |
| | TOTAL | <u>62301.81</u> | <u>70311.39</u> |
| 6. | TRADE PAYABLES | <u>3128.88</u> | <u>5387.42</u> |
| | [refer note 28 (xiii)] | | |
| 7. | OTHER CURRENT LIABILITIES | | |
| | A) Current Maturities of Long-Term Debt | 10820.97 | 8984.96 |
| | B) Interest accrued but not due on borrowings | 2.82 | 8.46 |
| | C) Unpaid Dividend | 71.64 | 88.17 |
| | D) Others | 7573.96 | 8325.27 |
| | TOTAL | <u>18469.39</u> | <u>17406.86</u> |
| 8. | SHORT TERM PROVISIONS | | |
| | A) Provisions for Employee's Benefits | 0.00 | 0.00 |
| | B) Others | | |
| | Provision for Taxation | 950.00 | 4740.00 |
| | Proposed Dividend | 360.65 | 360.65 |
| | Tax on Proposed Dividend | 73.42 | 61.29 |
| | TOTAL | <u>1384.07</u> | <u>5161.94</u> |



| 9. FIXED ASSETS (Rs. In Lacs) | | | | | | | | | | | |
|-------------------------------|-------------------|--------------------------|--------------------------|--------------------|---------------------------|------------------|-------------------|--------------------------|-------------------|------------------|------------------|
| Name of the Assets | GROSS BLOCK | | | DEPRECIATION BLOCK | | | | NET BLOCK | | | |
| | As on 01.04.2014 | Addition During the Year | Sale/Adj During the year | As on 01.04.2014 | Trf. to Retained earnings | For the year | *Other Adjustment | Written back in the year | AS ON 31.03.2015 | As on 31.03.2015 | As on 31.03.2014 |
| 1. TANGIBLE ASSETS : | | | | | | | | | | | |
| Free hold Land | 14,093.13 | 202.76 | - | - | - | - | - | - | - | - | 14,295.89 |
| Building | 38,506.08 | 2,547.44 | - | 11,611.27 | 366.22 | 1,252.58 | - | - | 13,230.07 | - | 27,823.45 |
| Plant & Machinery | 135,163.70 | 9,370.55 | 789.65 | 87,623.67 | 2,434.10 | 11,398.71 | - | 737.42 | 100,719.06 | - | 43,025.54 |
| Vehicles | 1,265.32 | 168.28 | 170.10 | 736.73 | 1.28 | 142.78 | 21.22 | 82.47 | 777.10 | - | 486.40 |
| Other Equipments | 1,930.44 | 174.15 | 1.14 | 1,255.31 | 77.70 | 195.53 | 9.30 | 1.10 | 1,518.14 | - | 585.31 |
| Furniture & Fixture | 892.06 | 325.25 | 0.68 | 650.21 | 4.77 | 65.40 | 2.51 | 0.68 | 717.19 | - | 499.44 |
| Total (A) | 191,850.73 | 12,788.43 | 961.57 | 101,877.19 | 2,884.07 | 13,055.00 | 33.03 | 821.67 | 116,961.56 | 86,716.03 | 89,973.54 |
| 2. Intangible Assets : | | | | | | | | | | | |
| Software | 18.31 | - | - | 17.10 | - | 1.21 | - | - | 18.31 | - | - |
| Total (B) | 18.31 | - | - | 17.10 | - | 1.21 | - | - | 18.31 | - | 1.21 |
| Total (A+B) | 191,869.04 | 12,788.43 | 961.57 | 101,894.29 | 2,884.07 | 13,056.21 | 33.03 | 821.67 | 116,979.87 | 86,716.03 | 89,974.75 |
| Previous Year | | | | | | | | | | | |
| A) Tangible Assets : | 174,211.21 | 18,679.85 | 1,040.33 | 93,965.44 | - | 8,815.34 | - | 903.59 | 101,877.19 | 89,973.54 | 80,245.77 |
| B) Intangible Assets : | 18.31 | - | - | 16.70 | - | 0.40 | - | - | 17.10 | 1.21 | 1.61 |
| Total (A+B) | 174,229.52 | 18,679.85 | 1,040.33 | 93,982.14 | - | 8,815.74 | - | 903.59 | 101,894.29 | 89,974.75 | 80,247.38 |

NOTE: (*refer note 28 xvii (a))



(Rs. In Lacs)

| Note No. | PARTICULARS | Current Year | Previous Year |
|------------|--|-----------------------|-----------------------|
| 10. | NON-CURRENT INVESTMENTS | | |
| | Investment in equity instruments | | |
| | Quoted (At Cost) | | |
| | In Group Companies | | |
| | i) 567656 Equity Shares of Rs. 5/- each fully paid up of Nahar Capital & Financial Services Ltd. (Previous Year 567656 Equity shares) | 247.62 | 247.62 |
| | ii) 1060620 Equity Shares of Rs.5/- each fully paid up of Nahar Poly Films Ltd. (Previous Year 1028205 Equity Shares) | 435.00 | 427.91 |
| | In Others | | |
| | iii) 1892 Equity Shares of Rs.10/- each fully paid up of MOIL Ltd. (previous Year 1892 Equity Shares) | 7.10 | 7.10 |
| | iv) 4893 Equity Shares of Rs.10/- each fully paid up of Punjab & Sind Bank (Previous Year 4893 Equity Shares) | 5.87 | 5.87 |
| | Unquoted (At Cost) | | |
| | In Associates | | |
| | i) Nil Equity Share 1GBP fully paid up of Crown Star Ltd. (Previous Year 250000 Equity Shares) | 0.00 | 196.89 |
| | In Others | | |
| | ii) 10 Equity Shares of Rs.50/- each fully paid up of Shree Panchvati Co-Operative Housing Society Ltd. (Previous year 10 Equity Shares) | 0.005 | 0.005 |
| | TOTAL | <u>695.59</u> | <u>885.39</u> |
| | Book value of quoted investment | 695.59 | 688.50 |
| | Book value of unquoted investment | 0.005 | 196.89 |
| | Market Value of Quoted Investments | 593.87 | 365.75 |
| 11. | LONG TERM LOANS AND ADVANCES | | |
| | (Unsecured Considered Good) | | |
| | A) Capital Advances | 490.67 | 2481.86 |
| | B) Security Deposits | 2452.78 | 2157.20 |
| | TOTAL | <u>2943.45</u> | <u>4639.06</u> |
| 12. | CURRENT INVESTMENTS | | |
| | A) Investments in Mutual funds | | |
| | QUOTED(At Cost) | | |
| | i) (Nil units of DSP Blackrock S-110-12M Direct Plan growth a close ended scheme (Previous year 1000000) of Rs.10/- each fully paid up) | 0.00 | 100.00 |
| | ii) (270734.910 units of ICICI prudential income plan regular growth an open ended scheme (Previous year 270734.910) of Rs.10/- each fully paid up) | 100.00 | 100.00 |



(Rs. In Lacs)

| Note No. | PARTICULARS | Current Year | Previous Year |
|------------|--|-----------------|-----------------|
| | iii) (337298.843 units of SBI magnum income fund Direct plan growth an open ended scheme (Previous year 337298.843) of Rs.10/- each fully paid up) | 100.00 | 100.00 |
| | iv) (Nil units of ICICI prudential FMP S-68-369 days plan I Direct plan growth a close ended scheme (Previous year 1000000) of Rs.10/- each fully paid up) | 0.00 | 100.00 |
| | v) (Nil units of UTI SMT series XV-X 368 days Direct plan growth a close ended scheme (Previous year 1000000) of Rs.10/- each fully paid up) | 0.00 | 100.00 |
| | vi) (Nil units of L&T FMP S-VIII plan F Direct plan growth a close ended scheme (Previous year 1000000) of Rs.10/- each fully paid up) | 0.00 | 100.00 |
| | B) Other Investment (Unquoted at cost) | 0.00 | 297.49 |
| | TOTAL | 200.00 | 897.49 |
| | Book value of quoted investment | 200.00 | 600.00 |
| | Market Value of Quoted Investments | 233.78 | 629.11 |
| 13. | INVENTORIES | | |
| | Stores & Spares | 1531.14 | 1894.65 |
| | Goods in Transit (Store & Spare) | 0.14 | 0.64 |
| | Raw Material | 36496.83 | 39448.40 |
| | Goods in Transit (Raw Material) | 45.23 | 45.70 |
| | Work in Progress | 5805.71 | 6610.14 |
| | Finished Goods | 12375.50 | 11036.31 |
| | Stock in Trade | 87.14 | 68.21 |
| | Waste and Rejections | 580.30 | 854.28 |
| | TOTAL | 56921.99 | 59958.33 |
| 14. | TRADE RECEIVABLES | | |
| | (Unsecured Considered Good Unless Otherwise Stated) | | |
| | Trade Receivables Outstanding for a Period Exceeding Six Months | 89.76 | 84.98 |
| | (out of above Rs.65.60 Lacs Previous year Rs.65.60 Lacs Considered Doubtful and same has been provided for) | | |
| | Other Trade Receivables | 38471.43 | 41165.86 |
| | Less : Provision for Doubtful Debts | 65.60 | 65.60 |
| | TOTAL | 38495.59 | 41185.24 |
| 15. | CASH AND BANK BALANCES | | |
| | A) Cash and Cash equivalents | | |
| | i) Balances with banks | 605.30 | 420.76 |
| | ii) Cheques, drafts in hand | 11.25 | 0.00 |
| | iii) Cash in Hand | 68.89 | 105.25 |
| | B) Other Bank Balances | | |
| | i) In Dividend Accounts | 71.63 | 88.17 |



(Rs. In Lacs)

| Note No. | PARTICULARS | Current Year | Previous Year |
|------------|---|------------------|------------------|
| | ii) In Fixed Deposits | | |
| | (a) Under margin money/Lien | | |
| | Maturity period within 12 months | 178.00 | 178.00 |
| | Maturity period more than 12 months | 0.30 | 0.30 |
| | (b) Others | 2.93 | 8.02 |
| | TOTAL | 181.23 | 186.32 |
| | | <u>938.30</u> | <u>800.50</u> |
| 16. | SHORT TERM LOANS AND ADVANCES | | |
| | (Unsecured Considered Good) | | |
| | A) Loans and advances to related parties | 0.00 | 0.00 |
| | B) Others | | |
| | i. Balance with Customs, Port Trusts, Excise Authorities etc. | 1.11 | 1.11 |
| | ii. Modvat / Cenvat Credit Unutilised | 597.77 | 610.55 |
| | iii. Others | 8610.60 | 7972.72 |
| | C) Advance Taxes | 1167.65 | 4948.55 |
| | TOTAL | 10377.13 | 12921.27 |
| | | <u>10377.13</u> | <u>12921.27</u> |
| 17. | REVENUE FROM OPERATIONS | | |
| | A) Sale of Products | | |
| | (i) Export Sales | 139320.33 | 142798.94 |
| | (ii) Domestic Sales | 68815.87 | 69964.77 |
| | (iii) Export Incentives | 5660.68 | 5920.20 |
| | B) Sale of Services | 711.78 | 1325.09 |
| | C) Other Operating Revenues | | |
| | Sales Miscellaneous | 329.83 | 284.10 |
| | Rebate and Discount Received | 52.21 | 55.52 |
| | Claims Received | 40.68 | 54.45 |
| | Miscellaneous Receipts | 30.83 | 17.46 |
| | TOTAL | 214962.21 | 220420.53 |
| | | <u>214962.21</u> | <u>220420.53</u> |
| | Detail of Sale | | |
| | i) Export Sales | | |
| | Hosiery Garments | 22670.75 | 20743.16 |
| | Cotton/ Blended yarn | 116437.19 | 119717.43 |
| | Waste | 212.39 | 2338.35 |
| | TOTAL | 139320.33 | 142798.94 |
| | | <u>139320.33</u> | <u>142798.94</u> |
| | ii) Domestic Sales | | |
| | Hosiery Garments | 1329.30 | 1111.62 |
| | Cotton/ Blended yarn | 51675.31 | 52249.76 |
| | Waste | 14078.70 | 13777.85 |
| | Others | 1732.56 | 2825.54 |
| | TOTAL | 68815.87 | 69964.77 |
| | | <u>68815.87</u> | <u>69964.77</u> |



(Rs. In Lacs)

| Note No. | PARTICULARS | Current Year | Previous Year |
|-------------|--|------------------|------------------|
| 18. | OTHER INCOME | | |
| | A) Interest Income | 365.90 | 253.94 |
| | B) Dividend Income | | |
| | From Non-Current investments | 8.70 | 8.87 |
| | C) Net Gain on sale of Investments | | |
| | From Current investments | 61.30 | 2.88 |
| | From Non-Current investments | 44.16 | <u>0.00</u> |
| | D) Gain on sale of Fixed Assets | 142.84 | 75.22 |
| | E) Previous Year Expenses Written Back | 137.07 | 114.51 |
| | F) Previous Year Income | 25.59 | 33.77 |
| | G) Rental Income | 149.06 | 102.40 |
| | H) Balance Written Back | 78.16 | 69.52 |
| | I) Miscellaneous Income | 117.26 | 35.05 |
| | TOTAL | 1130.04 | <u>696.16</u> |
| 19.a | COST OF MATERIALS CONSUMED | | |
| | OPENING STOCK | 39448.40 | 48163.67 |
| | Add: Purchases (Net) | 124497.09 | 114545.35 |
| | Less: Closing Stock | 36496.83 | <u>39448.40</u> |
| | TOTAL | 127448.66 | <u>123260.62</u> |
| | Details of material Consumed | | |
| | Cotton yarn/ acrylic/blended yarn | 16178.42 | 17397.86 |
| | Cotton/Manmade/Synthetic fibres * | 111164.84 | 105840.11 |
| | Others | 105.40 | 22.65 |
| | TOTAL | 127448.66 | <u>123260.62</u> |
| | Imported | 1479.39 | 466.98 |
| | | 1.16% | 0.38% |
| | Indegenous | 125969.27 | 122793.64 |
| | | 98.84% | 99.62% |
| | * Interunit cotton yarn consumed for garment & mercerising unit have been shown as yarn consumed rather than cotton fibre. | | |
| 19.b | PURCHASES OF TRADED GOODS | | |
| | Hosiery Garments/others | 466.60 | 300.28 |
| | Cotton Yarn | 0.22 | <u>1862.69</u> |
| | TOTAL | 466.82 | <u>2162.97</u> |
| 20. | CHANGES IN INVENTORIES OF FINISHED GOODS/ WORK-IN-PROGRESS/STOCK-IN-TRADE | | |
| | Opening Stock | | |
| | Work-in-Progress | 6610.14 | 5080.08 |
| | Finished Goods / Stock in Trade | 11958.80 | 9628.26 |
| | Less: Closing Stock | | |
| | Work-in-Progress | 5805.71 | 6610.14 |
| | Finished Goods / Stock in Trade | 13042.94 | <u>-279.71</u> |
| | | | <u>11958.80</u> |
| | | | <u>-3860.60</u> |



(Rs. In Lacs)

| Note No. | PARTICULARS | Current Year | Previous Year |
|------------|--|------------------------|-----------------|
| 21. | EMPLOYEE BENEFIT EXPENSES; | | |
| | A) Salaries and wages | 15601.96 | 14624.47 |
| | B) Contribution to PF, ESI and Gratuity Fund | 1601.36 | 1572.04 |
| | C) Staff Welfare Expenses | 414.60 | 349.07 |
| | TOTAL | <u>17617.92</u> | <u>16545.58</u> |
| 22. | FINANCE COSTS | | |
| | A) Interest Expenses | | |
| | (i) Interest on Term Loan | 3801.99 | 2751.22 |
| | (ii) Interest on Cash Credit | 4070.02 | 3623.57 |
| | (iii) Interest to Others | 2.82 | 5.05 |
| | B) Other Borrowing Costs | 73.58 | 67.42 |
| | TOTAL | <u>7948.41</u> | <u>6447.26</u> |
| 23. | OTHER EXPENSES | | |
| | Consumption of stores & spare parts | 1455.68 | 1305.20 |
| | Power and Fuel | 26861.01 | 26084.04 |
| | Dyes & Chemicals | 3002.00 | 2923.45 |
| | Fabrication Charges | 2.42 | 2.00 |
| | Rent | 29.06 | 34.10 |
| | Repair to Buildings | 201.66 | 208.19 |
| | Repair to Machinery | 2645.28 | 2535.84 |
| | Insurance | 276.74 | 298.32 |
| | Rates & Taxes | 124.14 | 106.11 |
| | Auditors Exp | | |
| | Audit Fees | 20.08 | 18.81 |
| | Tax Audit Fees | 3.61 | 3.36 |
| | Certification Charges | 3.67 | 1.92 |
| | Out of Pocket Expenses | 1.12 | 1.08 |
| | Exchange Rate Diff.(Net) | 27.00 | 133.35 |
| | Previous Year Expenses | 38.69 | 45.88 |
| | Previous Year Income Written Off | 14.72 | 5.93 |
| | Brokerage / Commission on Sale | 1947.50 | 2111.79 |
| | Cost of Raw Material Sold | 667.51 | 693.33 |
| | Forwarding Charges | 4983.05 | 4843.17 |
| | Packing Store Consumed | 3584.47 | 3421.13 |
| | Vehicle Maintenance and Conveyance | 431.90 | 399.07 |
| | Bank Charges | 648.44 | 663.05 |
| | Rebate and Discount | 104.13 | 146.95 |
| | Others | 1307.93 | 1307.01 |
| | TOTAL | <u>48381.81</u> | <u>47293.08</u> |

**24. SIGNIFICANT ACCOUNTING POLICIES:****i) ACCOUNTING CONVENTION:**

The financial statements are prepared under the historical cost convention, in accordance with applicable accounting standards u/s 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules 2014.

ii) REVENUE RECOGNITION:

- a) Sale of goods is recognized at the point of dispatch of finished goods to the customers and all the significant risks & rewards of the ownership are transferred to the buyer and company retains no effective control and no uncertainty exists regarding recovery of amount. The sale value is inclusive of excise duty wherever applicable paid on the clearance of finished goods.
- b) Revenue in respect of benefit under Duty Entitlement Pass Book Scheme/Duty Drawback Scheme is recognized on post export basis.
- c) Revenue in respect of Insurance and other claims is recognized when no significant uncertainty exists with regard to the amount to be realized.
- d) Scrap (i.e. Empties, Wastages etc. Other than Production) is accounted for on sale basis.
- e) Interest Income is recognized on time basis
- f) Investment Income is accounted for on sale basis
- g) Dividend income is recognized when the right to receive is established.

iii) FIXED ASSETS AND DEPRECIATION/ AMORTISATION:

- A. Tangible assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Depreciation is charged on following basis.
- B. Depreciation on fixed assets has been charged as per Schedule-II of the Companies Act, 2013.
 - a) In Garment Division at Ludhiana depreciation is charged on W.D.V. basis
 - b) In all other units, depreciation is charged on Straight Line basis
 - c) Intangible assets are stated at cost less accumulated amount of amortization. Such assets are amortized on Straight Line Basis on the estimated useful life.

iv) INVESTMENT:

Non Current Investments are stated at cost. Diminution in value of Investment if any is not considered because of temporary nature. Current Investments are valued at lower of cost or fair value

v) INVENTORIES:

Inventories are valued at cost or net realizable value, whichever is lower. However to determine the cost, the following methods are adopted:-

- 1)
 - a) For Raw Material on moving weighted average method plus direct expenses.
 - b) For Stores and Spares on moving weighted average method plus direct expenses.
 - c) For Work – in – Process, cost of Raw Material plus appropriate share of manufacturing expenses/relevant Overheads/conversion cost depending upon the stage of completion.
- 2) For Finished goods, cost of raw material plus conversion costs, packing cost and other overheads incurred to bring the inventories to their present condition and location.
- 3) Further Wastage and Rejections are valued at net realizable value only.
- 4) Goods in Transit are valued at cost.

vi) RETIREMENT BENEFITS:**a) Gratuity**

The Company has taken a Group Gratuity Policy from LIC of India to discharge its liability for Gratuity. The liability for gratuity is provided on the basis of the actuarial valuation carried out by an independent actuary at the balance sheet date.

b) Provident Fund:

Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund



and Miscellaneous Provisions Act, 1952 and is charged to the Statement of Profit and Loss.

vii) FOREIGN EXCHANGE TRANSACTION:

- a) The gains or losses on foreign exchange transactions are recognized in the Statement of Profit and Loss. Monetary assets and liabilities other than those covered by forward contracts have been valued at the exchange rate prevailing at the close of the financial year. The exchange difference on foreign currency transactions relating to fixed assets acquired from a country outside India are being adjusted to revenue.
- b) In respect of Forward contracts, forward premium or discount arising at the inception of forward contract is amortized as expenses or income over the life of contract. Exchange differences on such contracts are recognized in the Statement of profit and loss in the year in which exchange rates change.

Any Profit and Loss arising on cancellation or renewal of forward exchange contract is recognized as income or expenses in the period in which such income or loss arises.

viii) EXCISE DUTY:

Excise Duty payable on finished goods, if any, is accounted for on clearance of goods from the factory. Cenvat in respect of excise duty paid on Raw Material, Stores and Capital Goods is taken, if any, in accordance with the Cenvat Credit Rules 2004.

ix) WARRANTY CLAIMS:

As per the nature of Company's business, the question of warranty claims does not arise. The routine claims on account of quality or quantity lodged with the company other than those which are disputed one, are accounted for as and when accepted by the Company.

x) EXPENDITURE INCURRED DURING CONSTRUCTION PERIOD:

In respect of new/major expansion of units, the indirect expenditure incurred during construction period upto the date of commencement of commercial production is capitalized on various categories of fixed assets on proportionate basis.

xi) BORROWING COSTS:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

xii) GOVERNMENT GRANTS/SUBSIDY:

Government Grants/ Subsidy are recognized, when there is a reasonable assurance that

- i) The Company will comply with conditions attached to them and
- ii) The Grants/Subsidy will be received.

The Government Grants/Subsidy received for specific asset is reduced from the cost of the asset.

xiii) ACCOUNTING FOR TAXES ON INCOME:

Provision for taxation for the year comprises of current taxes and deferred tax. Current taxes consists of Income Tax and Wealth Tax. Current Tax is the amount of Income tax determined to be payable in respect of taxable income for the period. Deferred tax is calculated for timing difference that originates in one period and is capable of reversal in the subsequent period.

xiv) IMPAIRMENT OF ASSETS:

At each Balance Sheet date an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an Impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount, is provided in the books of accounts.

xv) PROVISION AND CONTINGENT LIABILITIES

- a) Provisions are recognized for liabilities that can be measured by using a substantial degree of estimation, if:
 - the company has a present obligation as a result of past event.
 - A probable outflow of resources embodying economic benefits is expected to settle the obligation and the amount of the obligation can be reliably estimated.
- b) Contingent Liability is disclosed in case of :



- A present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
 - A possible obligation, unless the probability of outflow in settlement is remote.
- c) Re-imburement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the re-imburement will be received.

25. CONTINGENT LIABILITIES NOT PROVIDED FOR:

- a) Bank guarantees outstanding Rs.1662.54 Lacs (Previous Yr. 1790.89 Lacs)
- b) The Company has bound itself unto the President of India for Rs.138.00 Lacs (Previous Year Rs.138.00 Lacs) under Central Excise Act, 1944 for clearance of goods without payment of excise duty, in respect of export of various types of yarn and for storage of various commodities manufactured within factory premises.
- c) Excise/Sales Tax/Income Tax/ Other Government Authorities have raised demands of Rs.404.52 Lacs (Previous Year Rs.414.36 Lacs) out of which a sum of Rs.7.20 Lacs(Previous Year Rs. 10.31 Lacs) has been deposited against said demand. Further these demands have been contested in appeal and no provision has been made in the financial statement.
- d) The electricity demand of Rs. 3212.54 lacs (Previous year 3215.54 Lacs) was raised by MPMKVV Co. Ltd and was contested by the company before Hon'ble High court of Jabalpur. The company deposited Rs. 561.92 Lacs under protest and also furnished bank guarantee for Rs.1662.54 Lacs. The Hon'ble High court decided the issue but the matter is contested by MPMKVV Co.Ltd before Hon'ble Supreme Court which is pending . No provision for any liability has been made in the books.
- e) The Madhya Pardesh Government's Ordinance to collect cess on Captive Power generation was declared ultravires by the Hon'ble Supreme court vide order dated 09/12/2003. But the State Government subsequently enacted an Act namely M.P.Upkar (Sanshodhan Tatha Vidhimanyatakaran) Adhinyam 2004 on 15th April 2004 which deemed to have come in to force from 29.06.2001.After the above act, the M.P.High Court passed an order dated 31/08/2007 to collect the dues of Cess from Captive Power plant users along with interest. According to this order, on the disputed amount, Rs. 170.65 Lacs (Previous year Rs.159.03 lac) is payable as interest .The above refered order has been challenged by some actual users in Hon'ble Supreme Court and matter being sub-judice, hence liability has not been provided for in the books .'
- f) The Company has given the following Guarantees in respect of loans granted by the banks
Rs.2500 Lacs (previous year Rs.2500 Lacs) to Oriental Bank of Commerce and Rs. 1500 Lacs (previous year 1500Lacs) to Bank of Maharashtra in respect of financial assistance granted by the said banks to M/s Nahar Poly Films Limited, Ludhiana.
- g) Levy of Entry Tax on certain items including yarn by the Punjab Government is subjudice before the Hon'ble Punjab & Haryana High Court . The Punjab Government has deferred the same subject to undertaking by the company that if the same is hold valid by the Hon'ble High Court , then company will deposit the same w.e.f the date of undertaking . The amount of such entry tax is Rs. 153.50 Lacs (previous year Rs.153.50 Lacs) .It has no effect on the profitability of the company since the same will be claimed as Input Tax Credit.

26. Commitments

- I. Estimated amount of Contracts remaining to be executed , net of advances

| Particular | Current year | Previous Year |
|---------------------|---------------------|---------------|
| On Capital Accounts | 3212.89 Lacs | 8206.29 Lacs |
| On Others | 7.37 Lacs | 170.07 Lacs |

- II. The Company has executed legal agreement/bonds/undertakings for the sum of Rs.6653.16 Lacs (Previous Year Rs. 6653.16 Lacs) with the Central Government, undertaking to export Hosiery Knitwear, yarn and other goods of F.O.B. value of Rs.76647.73 Lacs (Previous Year Rs. 76647.73 Lacs) against the issuance by the Government of Advance Licenses/E.P.C.G. Licenses with Duty Exemption entitlement Certificates/Pass books for the Import of Raw Materials, Machinery and Components etc. for the aggregate C.I.F./duty saved value of Rs.8530.07Lacs (Previous Year Rs. 8530.07 Lacs)

**27. As per Accounting Standard 20 of the Institute of Chartered Accountants of India, Earning Per Share is calculated below:**

| Particulars | Current Year | Previous Year |
|--|-------------------|---------------|
| Profit/(Loss) after Taxation | 2,036.63 | 14,575.40 |
| Less: Adjustment of Income Tax earlier Years | 15.52 | 44.97 |
| Profit After adjustment of earlier year Income Tax | 2,021.11 | 14,530.43 |
| Number of Shares Issued | 36,065,303 | 360,65,303 |
| Earning Per Share in Rs. (Basic & Diluted) | 5.60 | 40.29 |

(Face Value of Rs. 5/- Share)

28. Other Notes

- i. Interunit job work and interunit sales are billed at market price. The closing stock of units is partly comprised of such material lying in finished or semi-finished stage. The mode of valuation referred to 'At Weighted Average Cost' represents costs worked out by taking into account the price charged by such units.
- ii. Salaries & wages incurred during the year on repairs and maintenance of Building and Plant & Machinery etc. have been charged to former accounts and not shown separately.
- iii. In the opinion of the board, the value of Current Assets, Loans and Advances have a value in the ordinary course of business at least equal to that stated in the balance sheet
- iv. Some balances of Trade Payables, Advances and Trade Receivables are subject to their Confirmation.
- v. Borrowing cost amounting Rs. 95.59 Lacs (Previous Year Rs.226.73 Lacs) has been capitalized during the year.
- vi. Material events occurring after the balance sheet date are taken into cognizance.
- vii. Prior period and extraordinary changes in accounting policies, having material effect on the financial affairs of the Company (if any) are disclosed.
- viii. The accounts of the Company have been prepared on going concern basis.
- ix. Previous year figures have been regrouped/recasted/rearranged/reclassified wherever necessary to make them comparable.
- x. All figures have been rounded off to the nearest Rs.Lacs
- xi. Income in respect of Carbon Credits is accounted for only on sale as it does not have any cost to the company.
- xii. In accordance with Accounting Standard (AS)-28 on impairment of Assets, which is mandatory for the accounting periods commencing on or after 1st April, 2004, the company has assessed as on Balance Sheet date, whether there are any indications (listed in paragraphs 8 to 10 of the standards) with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.
- xiii. There are no Micro & Small enterprises covered under Micro, Small and Medium Scale Development Act 2006, to whom the company owes dues, which are outstanding for more than 45 days, hence no disclosure has been given. This information has been determined on the basis of intimation received from such parties
- xiv. The company is eligible for Sales Tax incentives /Interest subsidies from government of Madhya Pradesh. the same is being accounted for on receipt basis as the availability of the above incentives/Interest subsidies is only on the basis of completion of certain formalities
- xv. The Company had floated a wholly owned subsidiary in U.A.E on 09/12/2013. The same has been wound up during the current year .No activity has been carried out during the period ended 31.03.2015.
- xvi. Impact of prior period items on Profits/(Loss) is as under:

| | Current Year | Previous Year |
|---|----------------|---------------|
| Pre- Tax Profit /(Loss) after adjustment of prior period Item | 1483.93 | 20,450.40 |
| Add: Prior Period Expense | 53.41 | 51.81 |
| Less: Prior Period Income | 162.66 | 148.28 |
| Net Profit/(Loss) Before Prior Period Items | 1374.68 | 20,353.93 |



xvii. (a) In one of the units of the company , depreciation on Other equipments, furniture and fixtures and vehicles, was being charged on W.D.V basis . From 01.04.2014 the depreciation on these assets has been changed to SLM basis on the useful life specified in the Schedule-II of the Companies Act 2013, Consequent to this change the lower depreciation of Rs.33.03 Lacs has been credited to the statement of Profit & Loss.

(b) In case of assets whose useful life have exhausted, the carrying values as at 1st April,2014 amounting to Rs. 1903.77 Lacs (net of deferred tax Rs.980.30 Lacs) have been adjusted against the opening reserves as on 1st April,2014 pursuant to the provision of Schedule II to the Companies Act,2013.

xviii. In accordance with the section 135 of the Companies Act 2013, the company is covered by the provision of the said section

a) The amount required to be spent Rs. 110.51 Lacs
b) The amount Spent Nil

However the company and other group companies have joined hands to undertake the future CSR activities under one umbrella organization i.e Oswal Foundation.

xix. The company is operating in single segment i.e Textiles., Hence segment reporting as required under Accounting Standard 17 (Segment Reporting), is not applicable

xx. Detail of transactions entered into with related parties during the year as required by Accounting Standard 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are as under:

| Particulars | Associate | | Key management Personnel (KMP) | | Relative of Key Management Personnel | | Total | |
|-------------------------------------|-----------------|---------------|--------------------------------|---------------|--------------------------------------|---------------|-----------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Purchase of Goods/Services | 762.50 | 2,438.38 | - | - | - | - | 762.50 | 2,438.38 |
| Sale of Goods/Services | 3,728.15 | 6078.67 | - | - | - | - | 3,728.15 | 6078.67 |
| Sale of Shares | 34.41 | - | 34.05 | - | - | - | 68.46 | - |
| Purchase of Fixed Assets | 46.64 | 1,150.59 | - | - | - | - | 46.64 | 1,150.59 |
| Sale of Fixed Assets | 27.00 | 7.71 | - | - | - | - | 27.00 | 7.71 |
| Rent Paid | 20.54 | 25.84 | - | - | 2.99 | 2.72 | 23.53 | 28.56 |
| Rent Received | 62.79 | 38.49 | 7.80 | 7.80 | - | - | 70.59 | 46.29 |
| Interest Recieved | 87.37 | - | - | - | - | - | 87.37 | - |
| Reimbursement of expenses paid | 51.88 | 70.93 | - | - | - | - | 51.88 | 70.93 |
| Reimbursement of expenses received* | 7,399.83 | 7,241.52 | - | - | - | - | 7,399.83 | 7,241.52 |
| Sale of Export Licence | 391.58 | 917.97 | - | - | - | - | 391.58 | 917.97 |
| Purchase of export License | 0.37 | - | - | - | - | - | 0.37 | - |
| Inter-corporate Loans Received back | 2,058.00 | - | - | - | - | - | 2,058.00 | - |
| Inter-corporate Loans Given | 2,058.00 | - | - | - | - | - | 2,058.00 | - |
| Director Sitting Fee | - | - | 0.60 | 0.40 | - | - | 0.60 | 0.40 |
| Managerial Remuneration/Perquisites | - | - | 59.97 | 619.55 | - | - | 59.97 | 619.55 |
| Salary | - | - | - | - | 5.40 | 5.40 | 5.40 | 5.40 |
| Balance Receivable | 1,154.93 | 1,280.72 | - | - | - | - | 1,154.93 | 1,280.72 |
| Balance Payable | 0.15 | 43.06 | - | 246.69 | - | - | 0.15 | 289.75 |

* The Company have paid consolidated electricity charges .There are Sub-Meters and the charges are divided according to the respective consumption without any addition thereon.

Note:

***Associates**

Nahar Capital & Financial services Ltd., Nahar Poly Films Ltd., Nahar Industrial Enterprises Ltd., Oswal Woollen Mills Ltd.,Vanaik Spinning Mills Ltd.,Nahar Spinning Mills (FZE)., Abhilash Growth Fund(P)Ltd.,Atam Vallabh Financers



Ltd., Bermuda Insurance Brokers Pvt. Ltd., Kovalam Investment & Trading Co. Ltd., Monica Growth Fund (P) Ltd., Nagdevi Trading & Investment Co. Ltd., Nahar Growth Fund (P) Ltd., Ruchika Growth Fund (P) Ltd., Sankeshwar Holding Co. Ltd., Vanaik Investors Ltd., Vardhman Investment Ltd., J.L. Growth Fund Ltd. Neha Credit and Investment Pvt. Ltd., Ginar Investment Limited, Crown Star Ltd., Monte Carlo Fashions Ltd., Cotton County Retail Ltd., Nahar industrial Infrastructure Corp. Ltd., Sidhant & Mannat Co. Ltd., Simran & Shanaya Co. Ltd, Palam Motels Ltd, Hug Foods pvt Ltd.

Key Management Personnel

Sh. Jawahar Lal Oswal, Sh. Dinesh Oswal & Sh. Kamal Oswal

Relatives of Key management Personnel

Mrs. Abhilash Oswal, Mrs. Ruchika Oswal, Mrs. Manisha Oswal, Mrs. Ritu Oswal, Mrs. Monika Oswal and Mr. Rishab Oswal

*Associates includes the Companies in which the Key Management Personnel or their relatives have significant influence, Group Companies and also includes enterprises with whom no transaction has taken place during the period.

xxi. The employee's gratuity fund scheme is managed by LIC. The following tables set out the funded status of the gratuity plan recognized as per the company's financial statement as at 31.03.2015. (Rs.in Lacs)

| | Current Year | Previous Year |
|---|-------------------|-------------------|
| 1. Reconciliation of Opening and closing balances of defined benefit obligation | | |
| Present Value of Obligations as at beginning of year | 2,123.10 | 1,744.96 |
| Interest Cost | 188.75 | 139.59 |
| Current Service Cost | 290.09 | 231.80 |
| Benefit Paid | 165.07 | 183.72 |
| Actuarial gain/(Loss) on obligation | 12.93 | (190.47) |
| Present Value of Obligations as at end of year | 2,423.94 | 2,123.10 |
| 2. Reconciliation opening and closing balances of fair value of plan assets | | |
| Fair value of plan assets at beginning of year | 1,680.93 | 1,453.25 |
| Expected return on plan assets | 157.43 | 129.67 |
| Contribution | 301.60 | 281.73 |
| Benefit paid | 165.07 | 183.72 |
| Actuarial Gain/(Loss) on Plan Assets | 16.56 | - |
| Fair Value of plan assets at the end of year | 1,958.33 | 1,680.93 |
| 3. Reconciliation of Fair value of assets and obligations | | |
| Present value of obligations as at the end of year | 2,423.94 | 2,123.10 |
| Fair value of plan assets as at the end of the year | 1,958.33 | 1,680.93 |
| Net Assets/(Liability) recognized in the Balance Sheet | 465.61 | 442.17 |
| 4. Expenses Recognized in statement of Profit & Loss | | |
| Current Service Cost | 290.09 | 231.80 |
| Interest Cost | 188.75 | 139.59 |
| Expected return on plan assets | 157.43 | 129.67 |
| net Actuarial Gain/(Loss) recognized | (3.63) | (190.47) |
| Expenses Recognized in statement of Profit & Loss | 325.04 | 432.19 |
| 5. Assumptions | | |
| Discount Rate | 7.80% | 8.00% |
| Salary Escalation | 7.00% | 7.00% |
| Mortality table (LIC) | 1994-96(Ultimate) | 1994-96(Ultimate) |

xxii. Foreign Currency Exposure

The foreign Currency exposure of the company as on march 31, 2015 is an under. The Company does not use forward contracts for speculative purpose

| Category wise quantitative data | Current year | | Previous year | |
|-----------------------------------|------------------|----------------------|-----------------|----------------------|
| | No. of Contracts | Amount in USD (lacs) | No. of Contract | Amount in USD (lacs) |
| Forward contracts against exports | 53 | 248.84 | 47 | 183.25 |
| Forward contracts against imports | Nil | Nil | 1 | 1.50 |



xxiii. VALUE OF STORES, SPARE PARTS & COMPONENTS CONSUMED

| | Current Year | Previous Year |
|--|---------------------|-----------------|
| IMPORTED | 999.31 | 1143.98 |
| | 7.58% | 8.94% |
| INDIGENOUS | 12176.81 | 11649.21 |
| | 92.42% | 91.06% |
| TOTAL | 13176.12 | 12793.19 |
| (It includes value of stores sold) | | |
| xxiv. CIF VALUE OF IMPORTS | Current Year | Previous Year |
| Raw Material | 1475.46 | 386.29 |
| Stores & Spares | 1122.94 | 1197.11 |
| Capital Goods | 1301.71 | 5048.40 |
| xxv. EXPENDITURE IN FOREIGN CURRENCY | Current Year | Previous Year |
| Travelling | 46.17 | 75.36 |
| Export Development Exp. | 53.01 | 52.52 |
| Export Commission/Rebate | 1233.61 | 1389.04 |
| Others | 36.90 | 27.11 |
| xxvi. EARNING IN FOREIGN EXCHANGE | Current Year | Previous Year |
| Export of Goods/Services on F.O.B. Basis | 137709.46 | 140920.57 |
| Discount/Rent/Interest Received/Others | 74.68 | 60.41 |

NAHAR SPINNING MILLS LTD

Registered office: 373, Industrial Area – A, Ludhiana – 141003
CIN: L17115PB1980PLC004341
E-mail: secnsm@owmnahar.com; Website: www.owmnahar.com

BALLOT FORM

Sr. No. _____

Name and Registered Address of the Sole/ First named Member :

Names of the Joint Member(s), if any :

Registered Folio No. / DP ID No. / Client ID No. :

No. of shares held :

I/We hereby exercise my/our vote(s) in respect of the following Resolutions as set out in the Notice dated August 05, 2015 of the Company by conveying my/our assent (for) or dissent (against) the said Resolutions by placing the tick mark (✓) at the appropriate box below:

| Resolution No. | Description | No. of Shares | I/We assent to the Resolution (FOR) | I/We dissent to the Resolution (AGAINST) |
|----------------|--|---------------|-------------------------------------|--|
| 1 | To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2015 and the Reports of the Board of Directors and Auditors thereon. | | | |
| 2 | To declare dividend on Equity Shares. | | | |
| 3 | To appoint a director in place of Sh. Dinesh Gogna (DIN 00498670), who retires by rotation and being eligible offers himself for re-appointment. | | | |
| 4 | To appoint a director in place of Sh. Kamal Oswal (DIN 00493213), who retires by rotation and being eligible offers himself for re-appointment. | | | |
| 5 | To appoint Auditors and fix their remuneration | | | |
| 6 | To ratify the remuneration of Cost Auditors. | | | |

Place:

Signature of the Member

Date:

or

Authorised Representative

Notes :

- (i) If you have casted your vote by e-voting, there is no need to fill up and sign this form.
- (ii) Please read the instructions printed overleaf carefully before exercising your vote.

Cut here



INSTRUCTIONS

1. General Instructions:

- a. There will be one Ballot Form/e-voting for every Client ID No./Folio No., irrespective of the number of joint holders.
- b. Members have option to vote either through remote e-voting or through Ballot Form at the AGM. If a member has casted vote via remote e-voting, then vote cast by him/her via ballot form at the AGM shall be considered as invalid.
- c. Voting in the ballot/e-voting cannot be exercised by a proxy. However, corporate and institutional members shall be entitled to vote through their authorised representatives with proof of their authorization, as stated below under instruction no. 2(b).
- d. Any query in relation to the Resolutions proposed to be passed at the ensuing AGM may be addressed to Company Secretary, at the Registered Office of the Company.
- e. The Scrutinizer's decision on the validity of a Ballot/E-voting shall be final and binding.

2. Instructions for voting physically by Ballot Form:

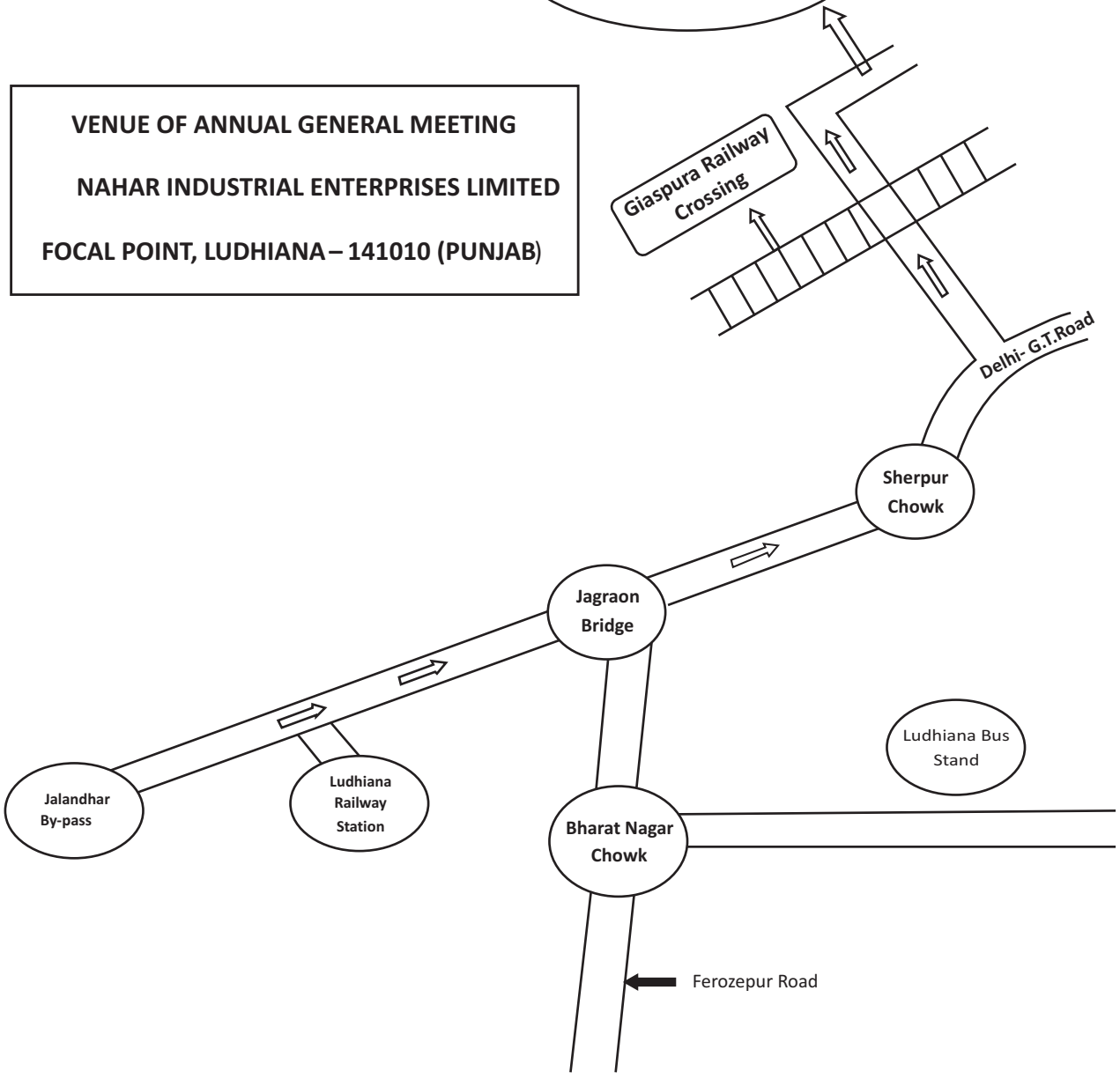
- a. This Form must be completed and signed by the Member who is desirous of exercising his/her vote at the 35th Annual General Meeting, as per specimen signature registered with the Company or Depository Participant, as the case may be. In case of joint holding, this Form must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his/her absence, by the next named Member.
- b. In respect of shares held by corporate and institutional members (companies, trusts, societies, etc.), the completed Ballot Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
- c. Voting rights shall be reckoned in proportion to the paid-up equity shares registered in the name of the Member as on cut off date i.e. 23rd September, 2015.
- d. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column in the Ballot Form. The assent or dissent received in any other form shall not be considered valid.
- e. Members are requested to fill the Ballot Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
- f. Incomplete, unsigned or incorrectly ticked Ballot Forms will be rejected.
- g. The Scrutinizer shall immediately after the conclusion of Annual General Meeting first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in the favor or against, if any, forthwith to the Chairman of the Company.
- h. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.ownnabar.com and on the website of CDSL www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

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Nahar Industrial Enterprises Ltd.

VENUE OF ANNUAL GENERAL MEETING
NAHAR INDUSTRIAL ENTERPRISES LIMITED
FOCAL POINT, LUDHIANA – 141010 (PUNJAB)



Performance at A Glance



Rupees in Lacs

| SR. NO. | PARTICULARS | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---------|---------------------------------------|---------|---------|---------|---------|---------|
| 1 | OPERATING INCOME | 139470 | 169648 | 196185 | 220420 | 214962 |
| 2 | EXPORTS | 97509 | 112264 | 129976 | 142799 | 139320 |
| 3 | OTHER INCOME | 1155 | 932 | 813 | 696 | 1130 |
| 4 | GROSS PROFIT (Before Interest & Dep.) | 29992 | 2111 | 32436 | 35713 | 22488 |
| 5 | PROFIT AFTER TAX | 11973 | -11720 | 7786 | 14530 | 2021 |
| 6 | CASH ACCRUALS | 24770 | -8900 | 22160 | 29266 | 14540 |
| 7 | GROSS BLOCK | 153382 | 170190 | 174230 | 191869 | 203696 |
| 8 | NET BLOCK | 74832 | 83754 | 80247 | 89975 | 86716 |
| 9 | SHARE CAPITAL (PAID UP) | 1805 | 1805 | 1805 | 1805 | 1805 |
| 10 | NET WORTH | 66597 | 54876 | 62240 | 76349 | 76032 |
| 11 | DEFERRED TAX RESERVE | 5680 | 65 | 4635 | 6185 | 4317 |
| 12 | DEBT EQUITY RATIO | 0.65 | 0.87 | 0.69 | 0.60 | 0.60 |
| 13 | CURRENT RATIO | 1.35 | 1.13 | 1.23 | 1.30 | 1.44 |
| 14 | BOOK VALUE PER SHARE | 184.66 | 152.16 | 172.58 | 211.70 | 210.82 |
| 15 | EARNING PER SHARE (BASIC) | 33.20 | -32.50 | 21.59 | 40.29 | 5.60 |
| 16 | FACE VALUE (PAID UP) | Rs. 5 | Rs. 5 | Rs. 5 | Rs. 5 | Rs. 5 |
| 17 | DIVIDEND | 40% | 0% | 20% | 20% | 20% |



Regd. Post / Courier
(Printed Matter)

If undelivered, please return to :
NAHAR SPINNING MILLS LIMITED
Regd. Office : 373, Industrial Area - 'A' Ludhiana-141 003
Ph. : 091-0161-2600701 to 2600705
Fax : 091-0161-2222942
E-mail : secnsm@owmnaahar.com

NAHAR SPINNING MILLS LIMITED

CIN: L17115PB1980PLC004341

Regd. Office: 373, Industrial Area – A, Ludhiana – 141003

Phone No.: 0161-2600701-705, Fax No.: 0161-2661180

E-mail: secnsm@owmnahar.com Website: www.owmnahar.com

**ATTENDANCE SLIP
E-VOTING PARTICULARS****35TH ANNUAL GENERAL MEETING**

2015

I/we hereby record my/our presence at the 35th Annual General Meeting of the Company, to be held on Wednesday, the 30th day of September, 2015 at 11.30 a.m. at the premises of M/s. Nahar Industrial Enterprises Limited, Focal Point, Ludhiana-141010 (Punjab).

| | |
|--|----------------------------|
| DP ID | Folio No. |
| Client ID | No. of Shares Held |
| Member's/Proxy's Name in Block Letters | Member's/Proxy's Signature |

Note: 1. Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting venue.
2. Please read instructions given at Note No. 20 of the Notice of 35th Annual General Meeting, carefully before voting electronically.

ELECTRONIC VOTING PARTICULARS

| EVSN (E-voting Sequence Number) | User ID/Folio No./DP / Client ID | Sequence No. |
|---------------------------------|----------------------------------|--------------|
| | | |

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NAHAR SPINNING MILLS LIMITED

CIN: L17115PB1980PLC004341

Regd. Office: 373, Industrial Area – A, Ludhiana – 141003

Phone No.: 0161-2600701-705, Fax No.: 0161-2661180

E-mail: secnsm@owmnahar.com Website: www.owmnahar.com

PROXY FORM (Form No. MGT-11)

(Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration Rules, 2014)

| |
|-----------------------|
| Name of the Member(s) |
| Registered Address |
| Email ID |
| Folio No./Client ID |
| DP ID |

I/We, being the member(s) of _____ shares of the above named company, hereby appoint :

- Name: _____ Address: _____
E-mail id: _____ Signature: _____, or failing him
- Name: _____ Address: _____
E-mail id: _____ Signature: _____, or failing him
- Name: _____ Address: _____
E-mail id: _____ Signature: _____, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the Company, to be held on Wednesday, the 30th day of September, 2015 at 11.30 a.m. at the Premises of M/s. Nahar Industrial Enterprises Limited, Focal Point, Ludhiana and at any adjournment thereof in respect of such resolutions as are indicated below:-

| Resolution No. | Resolution | 'Optional' | |
|----------------|--|------------|---------|
| | | For | Against |
| 1. | To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2015 and the Reports of the Board of Directors and Auditors thereon. | | |
| 2. | To declare dividend on Equity Shares. | | |
| 3. | To appoint a director in place of Mr. Kamal Oswal (DIN 00493213) , who retires by rotation and being eligible offers himself for re-appointment. | | |
| 4. | To appoint a director in place of Mr. Dinesh Gogna (DIN 00498670) , who retires by rotation and being eligible offers himself for re-appointment. | | |
| 5. | To appoint Auditors and fix their remuneration. | | |
| 6. | To ratify the remuneration payable to Cost Auditors. | | |

Signed this _____ day of _____, 2015

Signature of shareholder / Signature of Proxy holder(s): _____



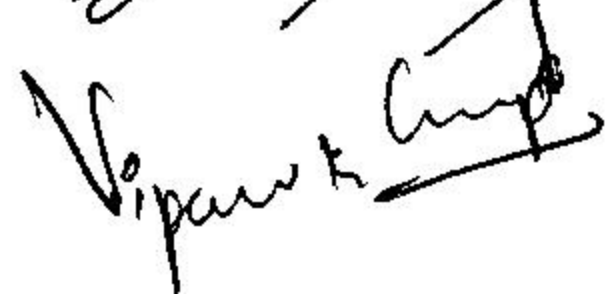

OFFICE REMUNERATION SLIP
OF THE 35TH

- Notes: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions and Notes, please refer to the Notice of the 35th Annual General Meeting.
3. * It is optional to put a ✓ in the appropriate column against the Resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

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

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

| | | |
|----|---|--|
| 1. | Name of the Company: | Nahar Spinning Mills Limited 373, Industrial Area- A, Ludhiana- 141003 |
| 2. | Annual financial statements for the year ended | 31st March, 2015 |
| 3. | Type of Audit observation | Un-qualified |
| 4. | Frequency of observation | Not Applicable |
| 5. | To be signed by- <ul style="list-style-type: none"> • Managing Director • CFO • Auditor of the company • Audit Committee Chairman |     |