

36th Annual REPORT 2015-16



The Nahar Group



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

CHIEF 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

36th ANNUAL GENERAL MEETING

Day : Friday
Date : 30th September, 2016
Time : 11.30 A.M.
Place : At the Premises of
Nahar Industrial Enterprises
Limited, Focal Point, Ludhiana

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**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 36TH ANNUAL GENERAL MEETING of the members of **NAHAR SPINNING MILLS LIMITED** will be held on **Friday, 30th day of September, 2016 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:**ITEM NO: 1 - ADOPTION OF FINANCIAL STATEMENTS**

To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2016 and the Reports of the Board of Directors and Auditors thereon.

ITEM NO: 2 - DECLARATION OF DIVIDEND

To declare dividend @ 30% i.e. Rs. 1.50 per equity share of Rs. 5 each for the year ended 31st March, 2016.

ITEM NO: 3 - APPOINTMENT OF MR. JAWAHAR LAL OSWAL AS A DIRECTOR LIABLE TO RETIRE BY ROTATION

To appoint a director in place of Mr. Jawahar Lal Oswal (DIN 00463866), who retires by rotation and being eligible offers himself for re-appointment.

ITEM NO: 4 - APPOINTMENT OF MR. SATISH KUMAR SHARMA AS A DIRECTOR LIABLE TO RETIRE BY ROTATION

To appoint a director in place of Mr. S. K. Sharma (DIN 00402712), who retires by rotation and being eligible offers himself for re-appointment.

ITEM NO: 5 - APPOINTMENT OF AUDITORS

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 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), 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 Directors of the Company."

SPECIAL BUSINESS:**ITEM NO: 6 - RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY**

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 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, the Cost Auditors M/s. Ramanath Iyer & Co. (Membership No. 000019) appointed by the Board to conduct the audit of the Cost Records of the Company for the Financial year ending March 31, 2017, be paid a remuneration of Rs. 1.62 Lacs (Rupees One Lakh Sixty Two Thousand Only)".

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

ITEM NO : 7- REAPPOINTMENT OF MR. DINESH OSWAL, MANAGING DIRECTOR OF THE COMPANY -

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

"RESOLVED THAT pursuant to the provisions of Section 196,197 and 203 read with Schedule V and rules framed thereunder and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) consent and approval of the Company be and is hereby accorded for the re-appointment of Sh. Dinesh Oswal as Managing Director of the Company (DIN : 00607290), for a period of five years w.e.f. 1st January, 2017 to 31st December, 2021 on the remuneration and perquisites set out below:

Salary (Scale) :	Rs.40,00,000.00 - 4,00,000.00-60,00,000/- per month.
Commission :	1.5% of the Net Profit.
Perquisites :	Following perquisites shall be allowed in addition to salary and commission.

i) Housing

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

EXPLANATION

i) The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962. This shall however be subject to a ceiling of 10% of



the salary of Sh. Dinesh Oswal.

- ii) **Medical Reimbursement:** Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or Five months salary over a period of Five years.
- iii) **Leave Travel Concession:** Leave travel concession for a self and family twice in a year incurred by him.
- iv) **Club Fees:** Fees of the club subject to a maximum of four clubs including admission fees and life membership fee.
- v) **Personal Accident Insurance:** Personal Accident Insurance of an amount, the annual premium of which shall not exceed Rs. 20000/-.
- vi) **Provident Fund and superannuation fund:** Contribution to Provident Fund, Superannuation Fund or Annuity fund in accordance with the rules specified by the Company.
- vii) **Gratuity:** Gratuity paid shall not exceed half month's salary for each completed year of service.
- viii) **Leave Encashment:** Encashment of the leave at the end of the tenure, as per rules of the Company.
- ix) **Car and Telephone:** Free use of Company's car with Driver for official work and telephone at residence.

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

"RESOLVED FURTHER THAT wherein any Financial Year, the Company has no Profits or its profits are inadequate, the Company may pay Sh. Dinesh Oswal, remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limits as specified under Section II of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) or such other limit as may be prescribed by the Government from time to time as minimum remuneration."

"RESOLVED FURTHER THAT Board of Directors of the Company, be and are hereby authorised to alter and vary the terms and conditions of appointment and /or remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-

enactment(s) thereof, for the time being in force) and do all such acts and take all such steps as may be necessary, proper or expedient to give effect to above resolution."

BY ORDER OF THE BOARD

BRIJ SHARMA

DATED: 12th August, 2016 (Company Secretary)

Regd. Office:

373, Industrial Area-A,

Ludhiana-141003

CIN: L17115PB1980PLC004341

E-mail: secnsm@owmnaahar.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 Explanatory 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



- 10th September, 2016 to 22nd September, 2016 (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 shall appear in Register of members as on 9th September, 2016 or Register of beneficial owners, maintained by the Depositories at the close of 9th September, 2016.
 7. Pursuant to Section 205C of the Companies Act, 1956 all unclaimed dividends up to the financial year 2007-08 have been transferred to Investor Education and Protection Fund. Further unpaid dividend for the year 2008-09 is to be transferred to Investor Education and Protection Fund pursuant to the provision of Companies Act, in November, 2016. 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 Company provides the facility of paying dividend through Electronics Clearing System (ECS). The members desirous of availing the facility of electronic credit of dividend are requested to ensure that their correct bank details alongwith 9 digit MICR code of their Bank is noted in the records of the Depository Participant (DP). Members, who hold the shares in physical form, should contact the Registrar & Transfer Agent or the Company in this regard. In order to prevent fraudulent encashment of dividend warrants, members are requested to provide their correct bank account details to their DP in case of electronic holding and to the Registrar & Transfer Agent or the Company in case of physical holding.
 9. 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 at its 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 9th September, 2016.
 10. 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.
 11. 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.
 12. With a view to using natural resources responsibly, we request shareholders to update their e-mail address with their Depository Participants to enable the Company to send communications electronically.
 13. Electronic copy of the Annual Report for the year 2015-2016 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 are being sent in the permitted mode.
 14. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
 15. Members seeking any information with regard to Annual Financial Statements 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.
 16. To avail the facility of nomination, Members are requested to send us duly filled and signed Nomination Form (Form No. SH-13)
 17. The information required to be provided under Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 regarding the Directors who are proposed to be appointed/re-appointed is given hereto and form part of the Notice. The Directors have furnished consent/declaration for their appointment/re-appointment as required under the Companies Act, 2013 and Rules made thereunder.
 18. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the Securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents, M/s. Alankit Assignments Limited, Unit: Nahar Spinning Mills Limited, Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110055.
 19. 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.

20. In compliance with Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as well as Section 108 of the Companies Act, 2013 read with the Rule 20 of 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.

21. Notice of the 36th Annual General Meeting and the Annual Report for the financial year 2015-16 will also be available on the Company's website i.e. www.ownahar.com. The above said notice will also be available on the website of CDSL i.e. www.cdslindia.com.

22. 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.

23. Instructions for shareholders Voting through electronic mode are as under:

1. The voting period begins on 27th September, 2016 (9:00 A.M.) and ends on 29th September, 2016 (5:00 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 23rd September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(2) 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.

(3) The shareholders should log on to the e-voting website www.evotingindia.com.

(4) Click on Shareholders.

(5) 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.

(6) Next enter the Image Verification as displayed and Click on Login.

(7) 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.

(8) If you are a first time user follow the steps given below:-

	For members holding shares in demat form and physical form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.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 (5).

9. After entering these details appropriately, click on "SUBMIT" tab.

10. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to



vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

11. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
12. Click on the EVSN for the relevant <NAHAR SPINNING MILLS LIMITED> on which you choose to vote.
13. 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.
14. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
15. 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.
16. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
17. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
18. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
19. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
20. **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) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
21. 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 helpdesk can also be contacted at 1800-200-5533.
 22. 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. Friday, 23rd September, 2016 may follow the same instructions as mentioned above for e-Voting.
 23. 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@owmnaahar.com
- Other instructions:**
24. 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
 25. 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).



26. 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.
27. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company i.e. www.owmnaahar.com and on the website of CDSL i.e. www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.
28. Subject to the receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of the 36th Annual General Meeting i.e. 30th September, 2016.,
29. A person who is not a Member as on the cut off date i.e. 23rd September, 2016 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 and Item no. 7 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 12th August, 2016, on the recommendation of Audit Committee, approved the appointment and remuneration of Rs. 1.62 Lacs (Rupees One Lakh Sixty Two 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 for the financial year ended 31st March, 2017.

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

Accordingly, consent and approval of the shareholders is

being sought for passing an Ordinary Resolution as set out in the Item No. 6 of the Notice for ratification of remuneration payable to M/s. Ramanath Iyer & Co., Cost nts (Firm Registration No. 000019) for financial year ended 31st March, 2017.

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.

ITEM NO. 7

Sh. Dinesh Oswal was appointed as Managing Director of the Company w.e.f 1st January, 2012 for a period of 5 Years. His period of office shall expire on 31st December, 2016. Sh. Dinesh Oswal is 51 years of age. He is a Commerce graduate and has 31 year business experience in Textile Industry and has been involved in the Operations of the Company since 1985. It would be in the interest of the company if he is reappointed as Managing Director of the Company under the category of the Key Managerial Personnel.

The Board keeping in view the overall growth of the Company under his able and dynamic leadership and on recommendation of Nomination and Remuneration Committee (subject to the approval of the shareholders) has decided to reappoint him as Managing Director for a further period of 5 years commencing from 1st January, 2017. Sh. Dinesh Oswal is eligible for re-appointment as Managing Director and his remuneration and perquisites as set out in the resolution are in accordance with the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

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

Sr. No.	Name of the Company	Status
1.	Nahar Capital & Financial Services Ltd.	Managing Director
2.	Nahar Poly Films Ltd.	Director
3.	Nahar Industrial Enterprises Ltd.	Director

Chairmanship of Board Committee : Nil

Member of Board Committees : NIL

Shareholding in the Company : 23766

(Equity Shares)



Disclosure of relationship between Directors inter-se:

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

Sh. Dinesh Oswal may be deemed to be concerned or interested in the resolution. Further Sh. Jawahar Lal Oswal (Chairman) and Sh. Kamal Oswal (Director) being relatives of Sh. Dinesh Oswal may be deemed to be concerned or interested in the said resolution. None of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

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

The terms and conditions of appointment as set out in the draft agreement to be entered into between the Company and Sh. Dinesh Oswal, is available for inspection at the Registered Office of the Company.

Your Directors recommend the resolution for your approval.

Information pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 regarding Director seeking appointment/re-appointment.

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

1. Jawahar Lal Oswal

Name:	Sh. Jawahar Lal Oswal
Age:	73 Years
Qualification:	Graduate
Expertise:	Having more than 52 years of experience in Textile & Woolen Industry.

Listed Companies (other than Nahar Spinning Mills Limited) in which Mr. Jawahar Lal Oswal holds Directorship of Board, Chairmanship and Membership of Board Committee :

Directorship of Board Committees:

Sr. No.	Name of the Company	Status
1.	Monte Carlo Fashions Ltd.	Chairman-cum- Managing Director
2.	Nahar Poly Films Ltd.	Chairman
3.	Nahar Industrial Enterprises Ltd.	Chairman
4.	Nahar Capital & Financial Services Ltd.	Chairman

Chairmanship of the Board Committee : Nil

Membership of Board Committees : Nil

Shareholding in the Company : Nil

Disclosure of relationship between Directors interse:

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

2. S.K.Sharma

Name	Sh. S.K. Sharma
Age	63 Years
Qualification	M.B.A.
Expertise	Having more than 35 years, experience in Corporate Affairs and Marketing.

Listed Companies (other than Nahar Spinning Mills Limited) in which Sh. S. K. Sharma holds Directorship of Board, Chairmanship and Membership of Board Committee :

Directorship of Board:

Sr. No.	Name of the Company	Status
1.	Nahar Capital & Financial Services Ltd.	Director
2.	Nahar Poly Films Ltd.	Executive Director

Chairmanship of Board Committees : Nil

Membership of Board Committees:

Sr. No.	Name of the Company	Committee	Status
1.	Nahar Capital and Financial Services Limited	Audit Stakeholders Relationship	Member Member

Shareholding in the Company : Nil

Disclosure of relationship between Directors inter-se : Nil

BY ORDER OF THE BOARD

BRIJ SHARMA

DATED: 12th August, 2016 (Company Secretary)

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 Sixth Annual Report** on the affairs of the company for the financial year ended 31st March, 2016.

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	180.69	145.40
Less: Depreciation	101.07	130.56
Provision for Taxation	29.75	3.35
Provision for Deferred Tax	(-) 1.50	129.32
		(-)8.88
		125.03
Profit/Loss after tax	51.37	20.37
Adjustment of Income Tax of Earlier years	1.48	0.16
Amount available for appropriation	49.89	20.21
APPROPRIATION		
Proposed Dividend	5.41	3.61
Tax on Distributed profits	1.10	0.73
Transfer to General Reserve	40.00	15.00
Balance at the end	3.38	0.87
	49.89	20.21

OPERATIONAL REVIEW AND STATE OF AFFAIRS

We would like to inform you that company's business activities falls under single segment i.e. "TEXTILE", as such disclosure requirements of Accounting Standard AS 17 issued by the Institute of Chartered Accountants of India, New Delhi, are not applicable.

We are pleased to inform you that inspite of a challenging year for Textile Industry, company has been able to sustain its operational performance. The slackness in Global demand coupled with exchange rate fluctuations severely affected company's topline and it could achieve a revenue of Rs. 2038.25 crores as against Rs. 2149.61 crores showing a marginal decline of 5.18 %. Likewise the Export at Rs. 1277.70 crores has also shown a decline of 8.29% as compared to the previous year. In spite of fall in revenue, the company has improved its financial performance and earned a profit before tax and depreciation of Rs.180.69 crores as against Rs.145.40 crores showing an impressive increase of 24.27% over the the previous year. After providing depreciation of Rs. 101.07 crores and provision for tax of Rs. 29.75 crores and provision for Deferred Tax of Rs. (-)1.50 crores, the company earned a net profit of Rs.51.37 crores.

TRANSFER TO RESERVE

After appropriations of profit (as per details mentioned

under the head Financial Performance) an amount of Rs. 40.00 crores has been transferred to General Reserve thereby increasing company's Reserves to Rs. 505.58 Crores as on 31st March, 2016. Besides, an amount of Rs. 3.38 Crores is proposed to be retained in surplus account thereby increasing the balance of Surplus account to Rs. 55.33 Crores.

DIVIDEND

Your Directors are pleased to recommend a dividend @ 30% (i.e. Rs.1.50 per equity shares of Rs.5/- each) on the equity share capital for the financial year ended 31st March, 2016. The total appropriation (excluding dividend distribution tax) for the current year is Rs. 5.41 crores as against Rs. 3.61 crores in the previous year.

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 9th September, 2016 or Register of beneficial Owners, maintained by the Depositories as at the close of 9th September, 2016

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of section 205C of the Companies Act, 1956, the company has transferred an amount of Rs.1478751.00 (Rs. Fourteen Lacs Seventy Eight Thousand Seven Hundred Fifty One Only) being the amount of unclaimed dividend for the year 2007-2008 to the Investor Education and Protection Fund. Further, unpaid dividend for the year 2008-2009 shall be transferred to the Investor Education and Protection Fund pursuant to provisions of the Companies Act in November, 2016. The Company has also sent letter/notice to the shareholders informing them to claim the unclaimed dividend from the Company before transferring the same to the Investor Education and Protection Fund.

DECLARATION BY INDEPENDENT DIRECTORS

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.

APPOINTMENT OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of section 152(6) of the Companies Act, 2013 and Article 117 of Article of Association of the Company, Sh. Jawahar Lal Oswal, (DIN 00463866) and Sh. Satish Kumar Sharma, (DIN 000402712) will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommend their re-appointment to the members of the company at the ensuing Annual General Meeting.



Besides, the period of office of Sh. Dinesh Oswal, Managing Director of the Company, who was appointed for a period of five years, is expiring on 31st December, 2016. The Board having regard to the overall growth of the Company under his able and dynamic leadership and on the recommendation of Nomination and Remuneration Committee, has decided to reappoint him (subject to approval of shareholders) as Managing Director for a further period of five years commencing from 1st January, 2017. The resolution for the same is being proposed for your approval in the accompanying Notice of ensuing Annual General Meeting.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 Mr. Dinesh Oswal Managing Director, Mr. Anil Garg, Chief Financial Officer and Mr. Brij Sharma, Company Secretary are Key Managerial Personnel (hereinafter referred as KMP) of the company and there has been no change in the KMP since the last fiscal year.

BOARD EVALUATION

The provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandate that a Formal Annual Evaluation is to be made by Board of its own performance and that of its Committee and individual Directors. Schedule IV of the Companies Act, 2013 states that performance evaluation of the Independent Director shall be done by Directors excluding the Director being evaluated.

The Board carried out a formal annual performance evaluation as per the criteria/framework laid down by the Nomination and Remuneration Committee of the company and adopted by the Board. The 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, behavior, leadership qualities, level of engagement and contribution, independence of judgment, 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 except the participation of concerned Independent Director whose evaluation was to be done. 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 approved the evaluation results thereof.

CORPORATE POLICIES:

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. As per the said Regulations, the listed companies are required

to formulate certain policies. As a good corporate entity, the company has already formulated several corporate policies and the same are available on the company's website i.e. www.ownahar.com as per the requirements of Regulations. The said policies are reviewed periodically by the Board to make them in compliance with the new Regulations/ requirements.

The company has adopted certain policies, the details of which are given hereunder:

Name of the Policy	Brief Description
Appointment & Remuneration Policy	Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.
Corporate Social Responsibility Policy	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 CSR Policy which was adopted by the Board. The CSR Policy outlines the various programmes/projects /activities to be undertaken by the company as laid down in Schedule VII of the Companies Act, 2013.
Whistle Blower Policy	Pursuant to the provisions of Section 177 of the Companies Act, 2013 company has formulated and adopted Vigil Mechanism/Whistle Blower Policy for its directors and employees. The aim of the policy is to provide a channel to the directors and employees to report their genuine concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct.
Policy on Materiality of Related Parties Transactions and Dealing with Related Parties Transactions	Pursuant to the requirements of regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has approved a



	<p>policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions. The policy regulates the transactions between the company and its group companies and related parties. The Policy has been uploaded on the Company's website and can be accessed at www.owmnahar.com/spinning/pdf/RPT/NAHAR/SPINNING.pdf</p>		<p>approved and adopted the Archival Policy in its Meeting held on 10th February, 2016. The Policy ensures protection, maintenance and archival of Company's disclosures, documents and records that are placed on Company's website i.e. www.owmnahar.com</p>
Insider Trading Policy	<p>To provide the framework for dealing in the securities of the company by the Insiders, Board has approved and adopted the following Codes in its Meeting held on 30.05.2015 under SEBI (Prohibition of Insider Trading) Regulations, 2015:</p> <p>i. Code of practices and procedures for fair disclosure of unpublished price sensitive information.</p> <p>ii. Code of conduct to regulate, monitor and report trading by insiders.</p> <p>The Codes help to regulate trading in securities by the Directors and designated employees of the Company. The Codes require pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's 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.</p>	Board Diversity Policy	<p>The Board of Directors in their Meeting held on 12th November, 2014 has approved and adopted the Board Diversity Policy as per the recommendations of the Nomination and Remuneration Committee. The policy envisages diversification of Company's Board in respect of age, knowledge, experience and expertise.</p>
Policy for Preservation of documents	<p>Board of directors in their meeting held on 10th February, 2016 has approved and adopted the policy for Preservation of documents. The Policy segregates the documents to be preserved permanently and documents to be preserved at least for a period of eight years as per the requirements of applicable laws.</p>		<p>APPOINTMENT AND REMUNERATION POLICY</p> <p>The Board on the recommendation of the Nomination and 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 Objective of the Policy is to have an appropriate mix of Executive, Non-Executive and Independent Directors. The present Board consist of ten members. Sh. Jawahar Lal Oswal is non-executive Chairman. Sh. Dinesh Oswal is a Managing Director. There are four Non Executive Directors and five Independent Directors out of which one director namely; Dr. (Mrs.) H.K. Bal as woman director on the Board. The Company's Policy of Appointment and Remuneration includes criteria for determining Qualification, Positive Attributes, Independence of Directors and other matters, as required under sub section 3 of Section 178 of the Companies Act, 2013. The Policy also laid down the criteria for determining the remuneration of directors, key managerial personnel and other employees. The Nomination & Remuneration Policy of the company is available on the Company's website and can be accessed at www.owmnahar.com/spinning/pdf/NSMLAPPOINTMENTANDREMUNERATIONPOLICY.pdf. There has been no change in the Policy since the last fiscal year.</p>
Archival Policy	<p>Pursuant to the requirements of Regulations 30(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has</p>		<p>SEPARATE MEETING OF INDEPENDENT DIRECTORS</p> <p>The company's Independent Directors held their meeting on 04.12.2015 without the attendance of Non Independent Directors and members of the management. All Independent Directors were present at the meeting. At the meeting, they:</p> <p>i. Reviewed the performance of non-Independent directors and the Board as a whole;</p>



- 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 the flow of information between the company's 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 all policies/ Guidelines as framed by the Company under various statutes and Listing Agreement/ SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to familiarize them with Company's procedure and practices. Further, to update them on regular basis, the Company provides copies of all amendments in Corporate Laws, Corporate Governance Rules and Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company also made arrangement to apprise and familiarize the directors regarding the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which came into effect w.e.f 1st December,2015. They were also informed regarding the Companies Amendment Bill 2016 which is introduced in the Parliament. The details of the Company's policy on Familiarisation Programs for Independent Directors is posted on the website of the company and can be assessed at <http://www.owmnaahar.com/spinning/pdf/familiarization\program\NSML001.pdf>

NO. OF BOARD MEETINGS

During the year under review, the Board of Directors met five times i.e. 30th May, 2015, 5th August, 2015, 10th November, 2015 23rd December, 2015 and 10th February, 2016 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 on Arm's length basis. The transactions entered into with the group companies during the year under the review, has been given in the Notes to the Financial Statements. All the transactions are on Arm's length basis and in the ordinary course of

the business. 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 with the interest of 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, 2016 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 may affect Company's operations in future.

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

Details of Loans, Investments and Guarantees covered under the provisions of Section 186 of the Companies Act, 2013 form part of the Notes in the Financial Statements provided in the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per the provisions of section 135 of the Companies Act, 2013, every company having net worth of rupees five hundred crore or more or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year is required to spend in every financial year at least two percent of the average net profits made during the three immediate preceding financial years on CSR activities. Accordingly, company



was required to spend Rs.119.25 Lacs towards CSR activities during the year under review.

As reported in our last report, company adopted CSR Policy and decided 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 details of the CSR policy are available on the company's website i.e. www.ownahar.com

We are also pleased to inform that company has utilized Rs. 120.40 Lakhs by contributing the same to Oswal Foundation for undertaking CSR activities. The Foundation has undertaken various CSR projects in the field of 'promoting education' by adopting Government Schools situated at Ludhiana & SAS Nagar in the state of Punjab. They also undertook the project to maintain the quality of soil and water on Sidhwan Canal, Ludhiana, for environmental sustainability, the Foundation reconstructed the roundabout and beautified the Fountain Chowk in the main part of the Ludhiana city.

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 I" and forms 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 three Non Executive Directors namely; Prof. K.S. Maini as Chairman, Sh. Dinesh Gogna and Dr. S.K. Singla, as members. Mr. Brij Sharma is the Secretary of the Company. The Committee held five 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, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Audit 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 provides direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The Whistle Blower Policy/Vigil Mechanism is also posted on Company's Website. The Company has a dedicated e-mail address i.e. whistleblowersml@

ownahar.com for reporting the genuine concerns.

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

SUBSIDIARIES, JOINT VENTURE OR ASSOCIATES COMPANY

The Company does not have any subsidiaries, joint venture or associates company, during the year under the review.

CREDIT RATING

We are pleased to inform that the Credit Rating Information Services of India Ltd. (CRISIL) vide their letter dated 22nd March, 2016 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) 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 environmental 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@ownahar.com or gredressalnsml@ownahar.com. We solicit your valuable co-operation and support in our endeavor to contribute our bit to the Environment.

LISTING AGREEMENT

To streamline the provisions of the Listing Agreement and its better enforceability the Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The said Regulation became effective from 1st December, 2015. In compliance of the said Regulations, the company has entered into Listing Agreement with The National Stock Exchange of India Ltd and the BSE Ltd on 10th February, 2016.

**LISTING OF SECURITIES**

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

- i. The BSE 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 2016-17.

DEMATERIALIZATION 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 95.27% 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) 42541234
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 the directors, in the case of a listed company, 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 the directors 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, 2015, appointed M/s Gupta Vigg and Co., Chartered Accountants (Registration No. 001393N) as Statutory Auditors of the Company to hold office till the conclusion of 36th 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. They have 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 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 Financial Statements of the Company for the Accounting year ended 31st March, 2016. The observations and comments given by Auditors in their Report read together with the Notes to the Financial Statements 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 within 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 2016-17 and has fixed a remuneration of Rs. 1.62 Lacs (Rupees One Lac Sixty Two Thousand Only) subject to the ratification of the members as per the provision of Section 148(3) of the Companies Act, 2013 and Rules 14 of the Companies (Audit and Auditors) Rules, 2014. A resolution for the ratification of remuneration of the Cost Auditors has been proposed to the members in the accompanying Notice of the ensuing General Meeting.

SECRETARIAL AUDITOR

The Board, pursuant to the provisions of Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, appointed M/s. P.S. Bathla & Associates, Practising Company Secretaries, having Membership No. 2585 as Secretarial Auditor to conduct Secretarial Audit for the financial year 2015-2016.

M/s. P.S. Bathla & Associates, Practising Company Secretaries have carried out the Secretarial Audit for the financial year ended March 31, 2016 and their Secretarial Audit Report in Form No. MR-3 is annexed hereto as Annexure II and form part of the Report.

The Report is self explanatory and require no comments

BUSINESS RISK MANAGEMENT

The Company has laid down Risk Management Policy. The Policy aims to identify, evaluate manage and monitor all types of risks 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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 which came into effect

from 1st December, 2015.

Your Company is operating in Textile segment and has identified certain risks which may affect the performance of the Company. These are operational risks such as fluctuation in cotton prices, fluctuation in foreign exchange rates, Labour problems, regulatory risks, Government Policy with respect to the Textile Industry etc. The Policy aims to suggest steps to be taken to control and mitigate the risks associated with the Company's Textile Business. We are of the opinion that none of the identified risk is such that which may threaten the existence of the Company.

INTERNAL FINANCIAL CONTROL AND SYSTEMS

The Company is maintaining an efficient and effective system of Internal Financial Control for the facilitation of speedy and accurate compilation of financial statements. The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with procedures, laws and regulations. The company's Internal Financial Control System commensurate with the nature of its business and 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 a Chartered Accountant as Internal Auditor for the financial year 2016-17. The Company is also having Internal Audit Department to test the adequacy and effectiveness of Internal Control Systems laid down by the management and suggest improvement in the systems. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board. During the year, Company's Internal Controls were tested and no reportable weakness in the system was observed.

Apart from the above, an Audit Committee consisting of three non executive directors has been constituted. All the significant audit observations and follow up actions thereon are taken care of by the Audit Committee. The Audit Committee also oversees and reviews the adequacy and effectiveness of the internal control in the company. The Audit Committee met five 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.

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 thereunder. 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 : N.A.

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 2015-16, the Company has not received any complaints on sexual harassment and hence no complaint remains pending as on 31st March, 2016.

ANNUAL RETURN

The 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 2015-16 in the Form MGT-9 is annexed herewith as Annexure III 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 IV" and form part of this Report.

In terms of section 197(14) of the Companies Act, 2013, the Company does not have any Holding Company. 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.

During the year under review, Sh. Dinesh Oswal, Managing Director of the Company received a remuneration of Rs. 5.75 Crores. Sh. Dinesh Oswal is 51 years of age. He is commerce Graduate and has business experience of 31 years in Textile Industry. He is employed on contractual basis for five years w.e.f 1st January, 2012 to 31st December, 2016. Before joining the company he was employed with M/S. Oswal Woollen Mills Limited as Commercial Manager. He is holding 23766 equity shares of Rs. 5/- each which constitute 0.07% of the equity capital of the company. Sh. Dinesh

Oswal is related to Sh. Jawahar Lal Oswal Chairman and Sh. Kamal Oswal Director of the Company. No other employee 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.

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 Subrule 3 of the Rule 8 Companies (Accounts) Rules, 2014, is enclosed as per Annexure-V 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 part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached herewith as Annexure-VI 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 Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as per Annexure-VII 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

JAWAHAR LAL OSWAL

DATED: 12th August, 2016

(Chairman)

DIN: 00463866



ANNEXURE- I

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 programs.** Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee framed the Corporate Social Responsibility Policy (CSR Policy) and the same was adopted by the Board of Directors on 11th August, 2014. As per policy, Company is undertaking 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 CSR policy is also available on the Company's website at the link: <http://www.owmnaahar.com/spinning/pdf/CSR.pdf>
2. **Composition of the CSR Committee:** Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Company has also constituted Corporate Social Responsibility Committee comprising of three Directors 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. 5962.5 Lacs
4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** Rs. 119.25 Lacs.
5. **Details of CSR spend for the financial year:**
 - (a) Total amount spent for the financial year: 120.40 Lacs
 - (b) Amount unspent, if any: Nil
 - (c) Manner in which the amount spent during the financial year is detailed below:

(1) S. No.	(2) CSR Project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs 1. Local area or other 2. Specify the State & District where project or programs was undertaken	(5) Amount Outlay (Budget) project or Programs Wise	(6) Amount Spent to the Projects or Programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads:	(7) Cumulative expenditure upto the reporting Period	(8) Amount Spent direct or through implementing agency
1.	Adoption of Five Government Primary School and construction of classroom & toilets as well as provided furniture	Promotion of Education	(1) (a) Local Area -3 School (1) (b) Other-2 School (2) State Punjab (2) (a) Ludhiana-3 Schools (2)(b) Lalru, S. A. S Nagar- 2 Schools	*	*	*	Through implementing Agency Oswal Foundation
2.	Cleanliness and clearance of Pollutants and garbage of Sidhwan Canal	Maintaining Quality of Soil, air and Water	(1) Local Area (2) State-Punjab, Ludhiana	*	*	*	Through implementing agency Oswal Foundation
3.	For Environmental sustainability Maintenance of Fountain Chowk	Ensuring Environmental Sustainability	(1) Local Area (2) State-Punjab, Ludhiana	*	*	*	Through implementing agency Oswal Foundation

* As Informed earlier, the company has decided to undertake CSR activities through a Registered charitable society i.e. Oswal Foundation, jointly and collectively along with other group companies. As decided, the CSR activities undertaken by the said implementing agency, after taking consent from the companies of the Group including our company, we individually from our company had contributed, during the year, Rs. 120.40 Lacs to be spent by the said implementing agency on CSR activities, as prescribed under Schedule VII of the Companies Act, 2013, which is a continuing process.

6. **Reasons for not spending the two percent of the average net profits of the last three financial years:** Not Applicable
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- 12th August, 2016

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, 2016

[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, 2015 to 31st March, 2016** 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, 2016** 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; **(Not Applicable as the Company has not issued further capital during the financial year under review)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable, as the Company has not made any such scheme during the Audit Period under review)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable, as the Company has not issued Debt Securities during the Audit Period under review)**
 - (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; **(Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial Year under review);**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable as the Company has not delisted/propose to delist its equity shares from any stock exchange during the financial year under review).**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable as the Company has not bought back/propose to buy-back any of its securities during the financial year under review.)**
 - VI. Textiles (Development and Regulation) Order, 2001
- I have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
 - (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange Limited read with SEBI (LODR) Regulations, 2015

I Report that during the period under review the Company has complied with the provisions of The Acts, 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. The changes in the composition of the Board of Directors that took place during the period under review in respect of rotational directors were carried out in compliance with the



provisions of the Act.

- 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.
- All decisions at Board Meetings and Committee Meetings have been carried out unanimously as recorded in the minutes of the meetings of Board of Directors and Committee of the Board, as case may be

I further report that based on the information received and records maintained 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: 12th August, 2016

For P S 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: 12th August, 2016

For P S 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**

Annexure-III

As on financial year ended on 31.03.2016

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: 2600701 to 2600705, E mail: secnsm@owmnaahar.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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% 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	0.24	87591	0	87591	0.243	0.000
(b)CentralGovt/ State Govt.	0	0	0	0.000	0	0	0	0.000	0.000
c) Bodies Corp.	23291834	0	23291834	64.58	23291834	0	23291834	64.582	0.00
e) Banks / FI	0	0	0	0.000	0	0	0	0.000	0.00
f) Any other	0	0	0	0.000	0	0	0	0.000	0.00
Sub Total (A)(1)	23379425	0	23379425	64.82	23379425	0	23379425	64.825	0.00
(2) Foreign									
(a)Individual (Non Resident Individuals/Foreign Individuals)	0	0	0	0.000	0	0	0	0.000	0.00



(b) Bodies Corporate	0	0	0	0.000	0	0	0	0.000	0.00
(c) Institutions	0	0	0	0.000	0	0	0	0.000	0.00
(d) Qualified Foreign Investor	0	0	0	0.000	0	0	0	0.000	0.00
(e) Any Other (Total)	0	0	0	0.000	0	0	0	0.000	0.00
Sub Total (A)(2)	0	0	0	0.000	0	0	0	0.000	0.00
Total A(1)+A(2)	23379425	0	23379425	64.825	23379425	0	23379425	64.825	0.00
B. Public Share holding									
1. Institutions									
a) Mutual Funds	3129	4537	7666	0.02	3129	4537	7666	0.021	0
b) Banks / FI	15693	2089	17782	0.05	44670	2089	46759	0.13	0.08
c) Central Govt	0	0	0	0.000	0	0	0	0.000	0.00
d) State Govt(s)	0	0	0	0.000	0	0	0	0.000	0.00
e) Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.00
f) Insurance Companies	0	0	0	0.000	0	0	0	0.000	0.00
g) FIs	0	600	600	0.002	0	600	600	0.002	0.00
h) Foreign Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.00
i) Others (specify)	0	0	0	0.000	0	0	0	0.000	0.00
Sub-total (B)(1):-	18822	7226	26048	0.07	47799	7226	55025	0.15	0.008
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2046271	12112	2058383	5.707	1361494	11989	1373483	3.808	-1.899
b) Individuals									
i) Individual share holders holding nominal share capital upto Rs. 1 lakh	7024512	1733280	8757792	24.283	7525928	1680150	9206078	25.527	1.244
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1726043	0	1726043	4.786	1918782	0	1918782	5.320	0.534
c) Others (specify)									
Non Resident Indians	105486	7004	112490	0.312	121694	7004	128698	0.357	0.044
Trusts	400	0	400	0.001	480	110	590	0.002	-0.001
Director's and their relatives	4500	22	4522	0.013	3000	22	3022	0.008	0.04
OCB	0	200	200	0.001	0	200	200	0.001	0.000
Sub-total (B)(2):-	10907212	1752618	12659830	35.103	10931378	1699475	12630853	35.022	-0.08
Total Public Shareholding (B)= (B)(1)+ (B)(2)	10926034	1759844	12685878	35.175	10979177	1706701	12685878	35.175	0.000
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	34305459	1759844	36065303	100.00	34358602	1706701	36065303	100.000	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
7	Atam Vallabh Financiers Ltd.	121007	0.34	0.00	121007	0.34	0.00	0
8	Bermuda Insurance Brokers (P) Ltd.	20450	0.06	0.00	20450	0.06	0.00	0
9	J.L. Growth Fund Limited	338311	0.94	0.00	338311	0.94	0.00	0
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	179179	0.49	0.00	179179	0.49	0.00	0.00
23	Nahar Capital and Fin. Ser. Limited	10257384	28.44	0.00	10257384	28.44	0.00	0.00
	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	% of total Shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	23379425	64.83	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.):	Nil	N.A.	Nil	N.A.
	At the end of the year	23379425	64.83	23379425	64.83

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 (01.04.2015) end of the year (31.03.2016)	% of total shares of the Company				No. of shares	% of Total shares of the Company
1	Bharat Jayantilal Patel	342	0.001	01-04-2015				
		NIL	---	21-08-2015 31-03-2016	-342	Mkt. Sale	NIL	
2	Bharat Jayantilal Patel	730	0.002	01-04-2015				
		730	0.002	31-03-2016				
3	Bharat Jayantilal Patel	80500	0.22	01-04-2015				
		80500	0.22	31-03-2016				
4	C D Integreted Services Limited	108143	0.30	01-04-2015				
				14-08-2015	750	Mkt. Purchase	108893	0.3
				28-08-2015	-2000	Mkt. Sale	106893	0.3
		106893	0.3	31-03-2016				
5	C D Integreted Services Limited	10000	0.03	01-04-2015				
				14-08-2015	-6000	Mkt. Sale	4000	0.01
				28-08-2015	-4000	Mkt. Sale	NIL	--
				25-09-2015	100	Mkt. Purchase	100	0
				09-10-2015	-100	Mkt. Sale	NIL	-
				11-12-2015	1100	Mkt. Purchase	1100	0.003
				01-01-2016	-400	Mkt. Sale	700	0.002
				08-01-2016	-200	Mkt. Sale	500	0.001
				15-01-2016	-500	Mkt. Sale	NIL	
				31-03-2016				
6	C D Integreted Services Limited	NIL	--	01-04-2015				
				01-01-2016	500	Mkt. Purchase	500	0.001
				08-01-2016	-500	Mkt. Sale	NIL	--
				05-02-2016	300	Purchase	300	0.000
				12-02-2016	-300	Mkt. Sale	NIL	
7.	Sanjeev Vinodchandra Parekh	141904	0.39	01-04-2015				
				23-10-2015	7032	Mkt. Purchase	148936	0.41
		148936	0.41	31-03-2016				



8.	Chandrika Vinodchandra Parekh	74619	0.21	01-04-2015				
		74619	0.21	31-03-2016				
9.	Vinodchandra Mansukhlal Parekh	102954	0.285	01-04-2015				
		102954	0.285	31-03-2016				
10.	Puja Aggarwal	43000	0.119	01-04-2015				
				03-07-2015	13000	Mkt. Purchase	56000	0.16
				04-12-2015	20000	Mkt. Purchase	76000	0.21
		76000	0.21	31-03-2016				
11.	Anil Kumar Goel	177791	0.49	01-04-2015				
				10-07-2015	-791	Mkt. Sale	177000	0.49
				24-07-2015	-7000	Mkt. Sale	170000	0.47
				31-07-2015	-7377	Mkt. Sale	162623	0.45
				07-08-2015	-12623	Mkt. Sale	150000	0.41
				11-09-2015	1858	Mkt. Purchase	151858	0.42
				19-02-2016	1142	Mkt. Purchase	153000	0.42
12.	Pranav Kumarpal Parekh	126144	0.35	01-04-2015				
		126144	0.35	31-03-2016				
13.	Lilavati Ashok Shah*	NIL	---	01-04-2015				
				08-05-2015	220000	Mkt. Purchase	220000	0.61
		220000	0.61	31-03-2016				
14.	Mr. Chetan Rasiklal Shah*	NIL	---	01-04-2015				
				21-08-2015	1002	Mkt. Purchase	1002	0.002
				04-09-2015	-1000	Mkt. Sale	2	0.000
				15-01-2016	50000	Mkt. Purchase	50002	0.14
				22-01-2016	-50000	Mkt. Sale	2	0.000
				19-02-2016	-1	Mkt. Sale	1	0.000
				18-03-2016	-1	Mkt. Sale	NIL	--
				31-03-2016	12500	Mkt. Purchase	12500	0.04
15.	Chetan Rasiklal Shah*	NIL	--	01-04-2015				
				08-01-2016	2000	Mkt. Purchase	2000	0.006
		2000	0.006	31-03-2016				
16.	Chetan Rasiklal Shah*	NIL	--	01-04-2015				
				01-01-2016	45463	Mkt. Purchase	45463	0.13
				22-01-2016	51243	Mkt. Purchase	96706	0.27
				19-02-2016	-1281	Mkt. Sale	95425	0.26
				11-03-2016	-2462	Mkt. Sale	92963	0.257
17.	Chetan Rasiklal Shah*	92963	0.257	31-03-2016				
		NIL	--	01-04-2015				
				01-05-2015	5000	Mkt. Purchase	5000	0.013
				15-05-2015	15000	Mkt. Purchase	20000	0.055
				14-08-2015	-20000	Mkt. Sale	NIL	--
18.	Chetan Rasiklal Shah*	NIL	--	01-04-2015				
				22-01-2016	75000	Mkt. Purchase	75000	0.21
				11-03-2016	-5000	Mkt. Sale	70000	0.20
		70000	0.20	31-03-2016				

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	Director				
	Prof. K.S.Maini	22	0.00	22	0.00
	At the beginning of the year	0	0.00	0	0.00
2	KMP				
	Sh. Anil Garg	0	0.00	0	0.00
	At the beginning of the year	200	0.00	200	0.00
	increase-decrease in shareholding during the year	200	0.00	200	0.00
	At the end of the year				

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	45444.71	-	-	45444.71
ii) Interest due but not paid	128.23	-	-	128.23
iii) Interest accrued but not due	11.61	-	-	11.61
Total (i+ii+iii)	45584.55	-	-	45584.55
Change in Indebtedness during the financial year				
* Addition	1764.45	-	-	1764.45
* Reduction	10019.60	-	-	10019.60
Net Change	-8255.15	-	-	-8255.15
Indebtedness at the end of the financial year				
i) Principal Amount	37225.27	-	-	37225.27
ii) Interest due but not paid	52.08	-	-	52.08
iii) Interest accrued but not due	0.00	-	-	0.00
Total (i+ii+iii)	37277.35	-	-	37277.35

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	57410404	57410404
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	132150	132150
	(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)	57542554	57542554
	Ceiling as per the Act	5% of the Net Profit of the Company i.e. Rs. 397.87 Lacs	

*The Company has paid remuneration to Mr. Dinesh Oswal, Managing Director as per Central Government approval vide its letter no. SRN C36933985/2014-CL.VII and dated 17th February, 2016.


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	40000	50000	20000	50000	50000	210000	
	Commission	--	--	--	--	--	--	
	Others, please specify	--	--	--	--	--	--	
	Total (1)	40000	50000	20000	50000	50000	210000	
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	40000	50000	50000	40000	--	180000	
	Commission	--	--	--	--	--	--	
	Others, please specify	--	--	--	--	--	--	
	Total (2)	40000	50000	50000	40000	--	180000	
	Total (B)=(1+2)	--	--	--	--	--	390000	
	Total Managerial Remuneration						57542551	
	Overall Ceiling as per the Act	11% of the net profit of the Company i.e. Rs. 875.32 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 section 17(1) of the Income-tax Act, 1961	1638345	1637430	3275775
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	51950	53300	105250
	(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	1690295	1690730	3381025

**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: 12th August, 2016****JAWAHAR LAL OSWAL
(Chairman)
DIN: 00463866**



**Annexure-IV
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 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 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 2015-16	% Increase in Remuneration in the Financial Year 2015-16	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 Chairman	40000	60	0.40	
2	Sh. Dinesh Oswal Managing Director	57542554*	Nil	568.28	PBT increased by 436.57% PAT increased by 152.25%
3	Sh. Kamal Oswal Non-Executive Director	50000	42.86	0.49	
4	Sh. Dinesh Gogna Non-Executive Director	50000	42.86	0.49	
5	Sh. S.K. Sharma Non-Executive Director	40000	14.29	0.40	
6	Dr. (Mrs.) H.K. Bal Non-Executive Director	40000	14.29	0.40	
7	Dr. S.K. Singla Non-Executive Director	50000	42.86	0.49	
8	Dr. Y.P. Sachdeva Non-Executive Director	50000	42.86	0.49	
9	Prof. K.S. Maini Non-Executive Director	50000	42.86	0.49	
10	Dr. A.S. Sohi Non-Executive Director	20000	-20 [#]	0.20	
11	Sh. Anil Garg Chief Financial Officer	1690730	9.87	N.A.	PBT increased by 436.57% PAT increased by 152.25%
12	Mr. Brij Sharma Company Secretary	1690295	14.79	N.A.	

*Pursuant to the provisions of Section 197 of the Companies Act, 2013, Central Government vide its letter no. SRN C36933985/2014-CL.VII and dated 17th February, 2016 has given approval for payment of remuneration @ 6,96,00,000 per annum for the period commencing from 1st April, 2014 to 31st December, 2016 to Mr. Dinesh Oswal, Managing Director of the Company which he may draw from M/s Nahar Spinning Mills Limited and Nahar Capital and Financial Services Limited or Partly from the first and remaining from the second Company. Accordingly the Company has paid salary of Rs. 5,75,42,554 for the current year and arrears of salary for the year 2014-15 amounting to Rs. 5,16,00,000 to Mr. Dinesh Oswal, Managing Director of the Company.

[#] Dr. A.S.Sohi Attended only two Meetings out of five Meetings held during the year 2015-16.

Note: The meeting fee of the Board of Directors increased to Rs. 10,000 from Rs. 5,000 w.e.f. 11th August, 2014, which is in line with the provisions of Companies Act, 2013.

(II) The median remuneration of employees of the company during the financial year was Rs. 1.01 Lacs

- (approx.).
- (III) In the financial year, there was an increase of 3% in the median remuneration of employees;
- (IV) There were 12397 permanent employees on the rolls of company as on March 31, 2016 ;
- (V) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 3.51 % whereas the increase in the managerial remuneration for the same financial year was 1.66%.
- (VI) It is hereby affirmed that the remuneration paid is as per the Appointment and Remuneration Policy of the Company for Directors, Key Managerial Personnel and other Employees.

Details of top ten employees of the Company in terms of salary drawn as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Name & Designation	Remuneration on received (Rs. in Lakhs)	Nature of employment (contractual or otherwise)	Qualification on & Experience	Date of commencement of employment	Age	Last employment held	% age of equity shares held	Whether relative of any director or manager
1.	Sh. T. Chandar Mohan Chief Executive	26.37	Regular	D.T.T 49 Years	12.06.1996	69	Malwa Cotton Spinning Mills Ltd.	N.A.	No
2.	Sh. S.P. Jain Chief executive (Exports)	20.93	Regular	Graduate 60 Years	01.01.1971	80	Girnari Hosiery and Textiles Mills	N.A.	No
3.	Sh. Ashok Kapoor G.M.(RM)	20.75	Regular	FCA 39 years	23.11.2006	67	Mayar India Ltd.	N.A.	No
4.	Sh. S.D. Avasthi G.M.	20.07	Regular	B.Text 36 Years	14.05.1992	60	Vardhman Polytex Ltd.	N.A.	No
5.	Sh. R.A. Tyagi Chief Executive	19.31	Regular	B.Sc (ATA MEP) 45 years	04.05.2000	67	Mahavir Spinning Mills Ltd.	N.A.	No
6.	Sh. Sunil Sethi G.M.	17.90	Regular	B.Text 36 Years	29.08.1992	58	Maral Overseas Ltd.	N.A.	No
7.	Sh. Manjeet Singh G.M. (System)	17.33	Regular	Graduate 38 Years	01.03.1987	63	Oswal Woollen Mills Ltd.	N.A.	No
8.	Sh. S.R. Bhatt G.M(T)	17.20	Regular	B.Text 30 Years	14.08.2014	54	Maral Overseas Ltd.	N.A.	No
9.	Sh. Ashwani Aggarwal G.M. (Export)	17.08	Regular	FCA 30 years	06.01.1986	54	N.A.	0.00	No
10.	Sh. P.K. Vashishth F.C	17.00	Regular	FCA 29 Years	06.09.1993	53	Hero Cycles Ltd.	N.A.	No

FOR AND ON BEHALF OF THE BOARD

**PLACE: LUDHIANA
DATED: 12th August, 2016**

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



ANNEXURE-V

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) Steps 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) Company is replacing in phases, conventional chokes & tube rods with LED tube rods resulting in approx 40% reduction in lighting load..
ii) The Company has been replacing de rated power capacitor banks on regular basis to maintain nearly unity power factor for getting optimum benefit under KVAH metering stated by the Electricity Boards.
iii) Company has also taken other measures viz. installation of cyclic timer in Humidification Plant's Cyclone Fans saving about 33% of Fan Power.
iv) Regular monitoring of water consumption & use STP water in gardening & toilets has given substantial saving in ground water consumption.
v) Regular optimization of energy mix (Turbine, Open Access, F.O. Generator & PSEB) has given substantial reduction in power cost during 2015-16.
vi) Company has planned to installed Solar Power Plants of suitable capacity to reduce Carbon Foot prints by using Green Energy.

b) Steps taken for utilising alternate sources of energy

The Company is proposing to set up 1000 KWP Roof top Solar project in one of the Company's Spinning Unit at Ludhiana.

c) Capital Investment on energy conservation equipments

The Company has made a Capital Investment of Rs. 24.63 Lacs on energy conservation equipments.

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 Plar- L using Quantum -3 latest series of Yarn Clearers to improve the quality of Yarn.
ii. 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 improved quality of material though R&D monitoring. This has enabled the Company to meet ever increasing expectations of its customers
iii. 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:

Table with 2 columns: Detail of Technology imported, Year of import, Whether the technology has been fully absorbed: and the reasons thereof. Values include NIL, NA.

• Expenditure on R & D

Table with 2 columns: Capital(Rs.), Recurring (Rs.), Total(Rs.). Values include 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.

Table with 3 columns: Particulars, Current Year, Previous Year. Rows include Total Foreign Exchange used and earned, Earnings (FOB value of Exports and other Receipts etc.), Outgo (CIF value of Imports, expenditure in foreign currency and other payments).

FOR AND ON BEHALF OF THE BOARD

PLACE: LUDHIANA
DATED: 12th August, 2016

JAWAHAR LAL OSWAL
(Chairman)
DIN: 00463866

**ANNEXURE - VI****CORPORATE GOVERNANCE REPORT**

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

I. 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 could be achieved. The SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (hereinafter referred to as SEBI LODR Regulations, 2015) incorporate certain mandatory disclosure requirements which shall be made with regard to Corporate Governance (Part C of Schedule V). Accordingly, we are pleased to report on the corporate governance as hereunder.

II. BOARD OF DIRECTORS**a. Composition and Category of Directors:**

As per the requirements of Regulation 17(1) of SEBI LODR Regulations, 2015, the Board of the Company should have a optimum combination of executive and non-executive directors with at least one woman director.

- i. We are pleased to report that the present strength of Board is Ten Directors. The Board comprises of optimal mix of Executive and Non-

Executive directors. Sh. Dinesh Oswal is a Managing Director and Sh. J.L Oswal is a Non-Executive Chairman. The Chairman is one of the promoter of the company, accordingly the company has complied the Regulation 17(b) of SEBI LODR Regulations, 2015 by having at least half of the Board of Directors as Independent Directors. Five directors 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 Non-Executive Directors. Dr. (Mrs.) H.K. Bal, is the woman Director of the Company. Sh. Kamal Oswal, Sh. Dinesh Gogna and Sh. S.K Sharma are other Non-Executive directors of the company.

b. Number of Board Meetings held and dates on which held:

During the year, the Board met five times i.e. on 30th May, 2015, 5th August, 2015, 10th November, 2015, 23rd December, 2015 and 10th February, 2016 with a clearly defined agenda circulated well in advance of each meeting. The maximum interval between the two consecutive Board Meetings is not more than 120 days. All the Directors strive to be present at the Board Meetings.

c. Details of Attendance of Directors at the Board Meetings and Last Annual General Meeting:

The participation of Non-Executive Directors and Independent Directors has been active in the Board Meetings. The Attendance record of directors in the Board Meetings held during the year 2015-16 and the last Annual General Meeting held on Wednesday, 30th day of September, 2015 is given here under:

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



d. Number of other Board of Directors or Committees in which Directors are member or chairperson:

The information regarding the other Board of Directors or Committees in which Directors are member or chairperson is already given in the table given in Para C above. None of the Director holds Directorship in more than twenty Companies and is Director of more than ten public limited companies as prescribed under the Companies Act, 2013. Independent Directors are holding Directorship as per the limit specified in Regulation 25(1) of SEBI LODR Regulations, 2015. None of the director is a member of more than Ten Board level Committees or is Chairperson of more than Five such Board level Committees as required under Regulation 26(1) of SEBI LODR Regulations, 2015.

e. Disclosure of relationships between directors inter-se:

Mr. Jawahar Lal Oswal is the father of Mr. Kamal Oswal Director and Mr. Dinesh Oswal Managing Director of the Company. Mr. Kamal Oswal and Mr. Dinesh Oswal are brothers. None of the other Director is related to any other director within the meaning of Section 2(77) of the Companies Act, 2013.

f. No. of Shares and Convertible Instruments held by non-executive directors:

Sh. Dinesh Oswal who is a Managing Director of the Company is holding 23766 equity shares of Rs. 5 each of the company.

Sh. Kamal Oswal Non-Executive Promoter Director is holding 24750 equity shares of Rs. 5 each of the company. Likewise Prof. K.S Maini who is a Non-Executive Independent Director is also holding 22 equity shares of Rs. 5 each of the company. None of the other Non-Executive Directors are holding any share and convertible instruments issued by the Company.

g. Web link of Familiarization Programs:

The details of Company's Policy on Familiarization Programs for Independent Directors are posted on the website of the Company and can be accessed at <http://owmnaahar.com/spinning/pdf/Familiarization-Program-NSML0001.pdf>

h. Separate Meeting of Independent Directors:

The Company's Independent Directors met on 4th December, 2015, without the attendance of Non-Independent Directors and members of

Management. All the 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 Director and Non-Executive Directors;
- iii. Assessed the quality, quantity 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.

III. AUDIT COMMITTEE

a. Brief Description of Terms of Reference:

The Board has constituted an independent and qualified Audit Committee. The term of reference of the Audit Committee is as per Part C of Schedule II of the SEBI LODR Regulations, 2015 and Section 177(4) of Companies Act, 2013.

b. Composition:

The Audit Committee comprises of three Non Executive Directors under the chairmanship of Prof. K.S. Maini. Sh. Dinesh Gogna a Non-Executive Director and Dr. S. K. Singla an Independent Director are the two other members of the Audit Committee. Prof. K.S. Maini is a Post Graduate in Commerce. He is well-versed with Accounting and Financial matter and has requisite expertise in these subjects. Sh. Dinesh Gogna is having 37 years of experience in Corporate Finance, Taxation, Financial and Accounting matter. Dr. S.K. Singla is M.A. in Economics & Statistics & Ph.D. in Statistics and is having vast experience in teaching Business Management & Administration. Mr. Brij Sharma is the Secretary of the Committee. Mr. Anil Garg who is Chief Financial officer of the company a permanent invitee to the meeting. The Statutory Auditors, Cost Auditors and Internal Auditors are also invited to attend the meetings as and when felt necessary and as per relevant provisions of the applicable laws/Rules.

c. Meetings and Attendance

During the financial year 2015-16, the committee met five times i.e. on 30th May, 2015, 5th August, 2015, 10th November, 2015, 23rd December, 2015, and 10th February, 2016, for reviewing and adopting the quarterly un-audited financial results as well as the financial statement for the relevant financial year before recommending the same to the Board of



Directors for their perusal and adoption.

The attendance record of the Audit Committee members during the year 2015-16 is as under:-

Name of the Member	No. of meetings held	No. of meetings attended
Prof. K.S. Maini	5	5
Sh. Dinesh Gogna	5	5
Dr. S.K. Singla	5	5

Prof. K.S. Maini, Chairman of the Audit Committee attended the last Annual General Meeting of the Company held on 30th September, 2015 and replied the queries raised at the Annual General Meeting.

IV. NOMINATION AND REMUNERATION COMMITTEE

a. Brief Description of Terms of Reference:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI LODR Regulations, 2015, the Board constituted the Nomination and Remuneration Committee. The broad term of reference of the Committee is as per the requirements of Part D of Schedule II of SEBI LODR Regulations, 2015 read with Section 178 of the Companies Act, 2013. The Committee identifies the persons who are suitable and qualified enough to become the Directors/Managing Director and who can be appointed in the Senior Management category in accordance with the criteria laid down/approved by the Board. They recommend to the Board their appointment & removal. The Committee carries out the evaluation of every director's performance and ensures that Company's remuneration policies, in respect of Managing Director, Key Managerial Personnel, Senior Executives and others are competitive so as to recruit and retain best talent in the company. It also ensures that appropriate disclosure of remuneration paid to the Directors, Managing Director, KMP and Senior Executives are made as per the applicable provisions of the Companies Act, 2013. The Committee also devise a policy on "Diversity of Board of Directors".

b. Composition:

The Committee consists of three Independent Directors namely; Dr. S.K. Singla as the Chairman and Dr. A.S Sohi and Dr. (Mrs.) H.K. Bal as members of the Committee.

c. Meetings and Attendance:

The Nomination and Remuneration Committee met three times i.e. on 29.05.2015, 05.08.2015 and 29.02.2016 during the year under review. The attendance record of the Members at the meetings held during the year 2015-16 is as follow:-

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

d. Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration Committee. An indicative list of parameters for evaluation includes education, knowledge, experience, expertise, skills, behaviour, leadership qualities, level of engagement and contribution, independence of judgement, ability to communicate effectively with other board members and Management, effective decision making ability for safeguarding the interest of the Company, stakeholders and its shareholders.

V. REMUNERATION OF DIRECTORS

a. Pecuniary relationship or transactions of the Non-executive Directors vis-à-vis the Company:

None of the Non Executive Directors has any pecuniary relationships or transactions vis-à-vis the Company.

b. Criteria of making payment to non-executive directors:

The Non-Executive Directors are paid remuneration in the form of sitting fee of Rs. 10,000/- per meeting for attending the Board Meeting of the Company. The details of sitting fee paid to Non executive Directors during the year 2015-16 is given here under:

Name of Director	Sitting Fees (Rs.)
Mr. Jawahar Lal Oswal	40,000.00
Mr. Kamal Oswal	50,000.00
Mr. Dinesh Gogna	50,000.00
Mr. S.K. Sharma	40,000.00
Dr.(Mrs.) H.K. Bal	40,000.00
Prof. K.S. Maini	50,000.00
Dr. S.K. Singla	50,000.00
Dr. Amrik Singh Sohi	20,000.00
Dr. Yash Paul Sachdeva	50,000.00
Total	3,90,000.00

c. Disclosures with respect to remuneration:

All the non executive directors of the Company are paid sitting fee for attending the Board Meeting. Mr. Dinesh Oswal being the Managing Director of the Company has been paid remuneration pursuant to the provisions of Section 197 read with Schedule V



of the Companies Act, 2013. The disclosure in respect of remuneration paid to Mr. Dinesh Oswal is as detailed below:

i. Elements of remuneration package

The elements of remuneration package paid to Mr. Dinesh Oswal, Managing Director of the Company, during the year 2015-16 is as follows:

Name of the Director	Salary	Benefits	Bonuses	Stock Options	Pension	Total
Dinesh Oswal	36000000	21442554	-	-	-	57542554

Pursuant to the provisions of Section 197 of the Companies Act, 2013, the Central Government vide its letter no. SRN C36933985/2014-CL.VII dated 17th February, 2016 has given approval for payment of remuneration at Rs. 6,96,00,000 per annum for the period commencing from 1st April, 2014 to 31st December, 2016 to Mr. Dinesh Oswal, Managing Director of the Company which he may draw from M/s. Nahar Spinning Mills Limited and M/s.Nahar Capital and Financial Services Limited or Partly from the first and remaining from the second Company. Accordingly the Company has paid salary of Rs. 5,74,42,554/- for the current year. He has also been paid arrears of salary amounting to Rs 5,16,00,000/- for the year 2014-15 during the under review .

ii. Details of fixed component and performance linked incentives, along with performance criteria

The fixed component of remuneration of Managing Director includes salary, H.R.A, perquisites and retirement benefits. He is also entitled to 1.5% commission of the net profits of the company, subject to overall limit as prescribed under the Companies Act, 2013.

iii. Service contracts, notice period, severance fees;

The tenure of office of the Managing Director is for five years from the respective date of appointment and same can be terminated by either party by giving three months notice in writing. There is no separate provision for payment of severance fees.

iv. Stock option details

None of the Non-Executive Director has been granted any stock option by the company.

VI. STAKEHOLDERS RELATIONSHIP COMMITTEE

a. Brief Description of Terms of Reference:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI LODR Regulations, 2015, the Board has constituted

Stakeholders' Relationship Committee. The Committee look into the complaints/grievances of shareholders in respect of transfer/transmission of shares, Non receipt of Dividend, Share Certificates, Demat and Annual Reports etc.

b. Composition:

The Committee consists of three non executive directors under the Chairpersonship of Dr. (Mrs.) H.K. Bal an Independent Director, Dr. A.S. Sohi an Independent Director and Mr. S.K. Sharma a Non-Executive Director are the other two members of the Committee.

c. Meetings and Attendance

The Committee met four times from 1st April, 2015 to 31st March, 2016 i.e. on 30th May, 2015, 4th August,2015, 10th November, 2015 and 10th February, 2016. The attendance record of members at the meetings held during the year 2015-16 is as follow:-

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

d. Name and Designation of Compliance Officer

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

e. Details of Investors' complaints received/resolved/not solved to the satisfaction of shareholders/pending:

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 7 to 10 days from the date of the receipt of the same. The details of Investors' complaints received/resolved/not solved to the satisfaction of shareholders/pending is given herebelow:

No. of complaints received during the year	: 2
No. of complaints resolved during the year	: 2
No. not solved to the satisfaction of shareholder	: NIL
No. of complaints pending as on 31st March, 2016	: NIL

f. 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.

**VII. OTHER COMMITTEES****1. SHARE TRANSFER COMMITTEE**

The Company has also constituted a Share Transfer Committee comprising of 4 (four) members under the Chairmanship of Mr. Dinesh Oswal, Managing Director of the Company. Sh. Dinesh Gogna and Sh. S.K Sharma Directors of the company and Mr. Brij Sharma, Company Secretary of the Company, are the members of the Committee. The Committee is responsible for approving the transfer/transmission of securities, dematerialisation of shares, issuance of duplicate share certificates and other shareholders related issues. The Committee met twenty four times during the year under review i.e. 15th April, 2015, 30th April, 2015, 15th May, 2015, 30th May, 2015, 15th June, 2015, 30th June, 2015, 15th July, 2015, 31st July, 2015, 14th August, 2015, 31st August, 2015, 11th September, 2015, 30th September, 2015, 15th October, 2015, 31st October, 2015, 16th November, 2015, 30th November, 2015, 15th December, 2015, 31st December, 2015, 15th January, 2016, 30th January, 2016, 15th February, 2016, 29th February, 2016, 15th March, 2016 and 30th March, 2016. The attendance record of members at the meetings held during the year 2015-16 is given here under:-

Name of the Member	No. of meetings held	No. of meetings attended
Sh. Dinesh Oswal	24	22
Sh. Dinesh Gogna	24	21
Sh. S.K. Sharma	24	24
Sh. Brij Sharma	24	24

As per SEBI Circular No. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, the Company has appointed M/s. Alankit Assignments Ltd, 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 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 Director's Report.

2. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board has constituted Corporate Social Responsibility Committee as per the provisions of Section 135 read with Schedule VII of the Companies Act, 2013. The Committee consists of three Directors namely; Mr. Dinesh Oswal, as Chairman, Dr. S.K Singla, and Mr. Dinesh Gogna, Directors of the company, are the

two other members of the Committee.

The terms and reference of the Committee are:-

1. To formulate and recommend to 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 4th August, 2015 and 10th February 2016. Attendance record of members at the meetings held during the year 2015-16 is as follow:-

Name of the Members	No. of meetings held	No. of meetings attended
Sh. Dinesh Oswal	2	2
Dr. S.K. Singla	2	2
Sh. Dinesh Gogna	2	2

3. RISK MANAGEMENT COMMITTEE:

As per the provisions of Regulation 21 of SEBI LODR Regulations, 2015, Top 100 listed entities, determined on the basis of market capitalization as at the end of immediate previous financial year shall constitute a Risk Management Committee. We would like to inform you that the Company does not fall under the said category. Accordingly, Regulation 21 is not applicable to the company. However, no business is free from Normal Business Risks i.e. Financial risk, Exchange risk, Cotton prices risk, Policy risk, Global risk etc. The Audit Committee takes care of the risk policies and review the same in their meeting so that the company could face the challenges and become a globally competitive company.

VIII. GENERAL BODY MEETINGS

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

Financial year	Location	Date	Time
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.



2014-2015 Premises of 30.09.2015 11:30 A.M.
Nahar Industrial
Enterprises Ltd.,
Focal Point, Ludhiana

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

2014-15

No Special resolution was passed

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

No Special resolution was passed during the financial year ended 31.03.2016 through postal ballot.

iv) Person who conducted the postal ballot exercise:

Not applicable as no special resolution was passed during the financial year ended 31.03.2016 through postal ballot.

v) Whether any special resolution is proposed to be conducted through postal ballot.

Presently, no Special Resolution is proposed to be conducted through postal ballot.

vi) Procedure for postal ballot.

Whenever any special resolution will be conducted through postal ballot, the procedure for postal ballot shall be as per the applicable provisions of Companies Act, 2013 read with SEBI LODR Regulations, 2015.

IX. MEANS OF COMMUNICATION

a. Quarterly Results:

The Company's quarterly results in the format prescribed by the SEBI LODR Regulations, 2015, are approved and taken on record by the Board within the prescribed period under the Regulations and sent immediately to all Stock Exchanges on which the Company's shares are listed.

b. Newspapers wherein results normally published:

The financial results of the Company are published in leading Newspaper i.e. Business Standard/ Financial Express in English and Dainik Jagran in vernacular.

c. Any website, where displayed:

The company's Quarterly, Half yearly and Annual Results are also displayed on the website of the Company i.e. www.owmnahar.com.

The Quarterly and Annual Financial Statement along with the 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, BSE Limited and National Stock Exchange of India Limited.

d. Whether it also displays official news releases

Whenever any official news is released, the same is also displayed on the Company's website i.e. www.owmnahar.com.

e. Presentations made to institutional investors or to the analysts:

Whenever any presentation about Company's working is made to the Financial Institutional Investors or to the Analyst, the same is displayed on the Company's Website i.e. www.owmnahar.com.

X. GENERAL SHAREHOLDERS INFORMATION

1. Annual General Meeting:

Date : September 30, 2016
Day : Friday
Time : 11:30 a.m.
Venue : Premises of Nahar Industrial Enterprises Limited, Focal Point, Ludhiana

2. Financial Year : The Financial year of the Company covers 1st April 2015 to 31st March, 2016.

3. Dividend Payment Date : On or Before 15th Oct., 2016

4. Date of Book Closure : 10th September to 22nd September, 2016 (Both days inclusive)



5. Name and address of Stock Exchanges at which the securities of the Company are listed:

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 BSE Limited, 25th Floor, P.J. Towers, Dalal Street, Mumbai-400001.

The listing fees payable to BSE and NSE for 2016-17 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 fee for the financial year 2016-17 have been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

XI. Market Price Data-high low during each month in last financial year

The Company's equity shares are listed at BSE and NSE. Accordingly the month wise High and Low stock prices from April, 2015 to March, 2016 are as follows:

Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April, 2015	109	87	108.7	86
May, 2015	98.75	88.35	99.2	88.6
June, 2015	113.85	88	117.4	87.3
July, 2015	134.9	111.3	134.6	110.7
August, 2015	162.9	100.2	163.35	101.5
September, 2015	115.2	99	117.1	97.65
October, 2015	121.8	105.3	122	105.3
November, 2015	116.5	93.9	115.5	93.7
December, 2015	131.8	107.4	131.8	106.75
January, 2016	138	96.8	137.9	97
February, 2016	111.6	80.2	113	79.1
March, 2016	97.8	82.2	97.7	82.25

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.

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

The Company's equity shares are listed at BSE and NSE. Accordingly, comparison between Nahar Spinning Mills Limited closing price variation and BSE Sensex in percentage from April, 2015 to March, 2016 is as under:

Financial Year	Share price of Nahar Spinning Mills Ltd.				BSE Sensex			
	Highest (Rs)	Lowest (Rs) over last Month's Closing	Closing (Rs)	%age Change	Highest (Rs)	Lowest (Rs) over last Month's Closing	Closing (Rs)	%age Change
2015-2016								
April	109	87	94.15	8.46	29094.61	26897.54	27011.31	-3.38
May	98.75	88.35	90.1	-4.30	28071.16	26423.99	27828.44	3.03
June	113.85	88	112.9	25.30	27698.75	26307.07	27780.83	-0.17
July	134.9	111.3	129	14.26	28578.33	27416.39	28114.56	1.20
August	162.9	100.2	109.5	-15.11	28417.59	25298.42	26283.09	-6.51
September	115.2	99	108.1	-1.28	26471.82	24833.54	26154.83	-0.49
October	121.8	105.3	112.6	4.16	27618.14	26168.71	26656.83	1.92
November	116.5	93.9	109.7	-2.57	26824.3	25451.42	26145.67	-1.92
December	131.8	107.4	131.2	19.59	26256.42	24867.73	26117.54	-0.11
January	138	96.8	106.4	-18.90	26197.27	23839.76	24870.69	-4.77
February	111.6	80.2	81.7	-23.21	25002.32	22494.61	23002	-7.51
March	97.8	82.2	91.4	11.87	25479.62	23133.18	25341.86	10.17

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.

XIII. IN CASE THE SECURITIES ARE SUSPENDED FROM TRADING, REASON THEREOF

The Company's securities have not been suspended from trading during the year under review.

XIV. REGISTRAR TO AN ISSUE AND SHARE TRANSFER AGENTS

The Company has appointed M/s Alankit Assignments Ltd. New Delhi, 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 nos. etc. have already been mentioned in the Directors' Report.

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

Members may kindly note that the Registrar & Transfer Agent and/or the Company will not entertain request for noting of change of address/bank details/ECS mandate in case the shares are held in demat form. For this purpose, shareholders should approach their Depository Participant.

XV. SHARE TRANSFER SYSTEM

The Company has constituted a Share Transfer Committee consisting of four members, namely Mr. Dinesh Oswal, Managing Director, Mr. Dinesh Gogna, Sh. S.K. Sharma, Directors and Mr. Brij Sharma, Company Secretary of the Company. Share Transfer Committee meets twice in a month to approve the transfer / transmission / transposition, issue of duplicate share certificates &



dematerialization of shares and duly transferred shares are generally dispatched within the prescribed period under the Companies Act, 2013 / SEBI LODR Regulations, 2015.

As required under Regulation 40(9) of the SEBI LODR Regulations, 2015, a certificate is obtained every six months from a Practicing Company Secretary within One month from the end of each half of financial year, certifying that all certificates has been issued within 15 days of their lodgement for transfer, transmission, transposition, sub-division, consolidation, renewal and exchange or endorsement. The certificate is forwarded to BSE and NSE where the Equity Shares of the Company are listed.

XVI. DISTRIBUTION OF SHAREHOLDING

As on March 31, 2016 your Company had 39015 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	35856	91.90	4481374	12.43
501-1000	1654	4.23	1248375	3.46
1001-2000	767	1.97	1132396	3.14
2001-3000	256	0.66	656778	1.82
3001-4000	103	0.26	371636	1.03
4001-5000	85	0.23	397277	1.10
5001-10000	155	0.39	1106582	3.07
10000 and above	139	0.36	26670885	73.95
TOTAL	39015	100.00	36065303	100.00

XVII. THE SHAREHOLDING PATTERN AS ON MARCH 31, 2016 AS FOLLOWS:

Shares held by	No. of Shares	% of shareholding
Banks and Mutual Funds	54425	0.15
Foreign holdings (FIIs, NRIs, OCBs)	129498	0.36
Trust	590	0.00
Bodies Corporate	1373483	3.80
Directors/Relatives of Directors	3022	0.01
General Public	11124860	30.85
Promoters	23379425	64.83
Total	36065303	100.00

XVIII. 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 Ltd. (CDSL). The investors have an option to dematerialize their equity shares with either of the Depositories. As on 31st March, 2016, 3,43,58,602 equity shares comprising 95.27% of the total Equity Capital of the Company have been dematerialized. The Equity shares of the Company are actively traded on the BSE Limited and the National Stock Exchange of India Limited.

XIX. Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity

The Company does not have any outstanding Global Depository Receipts or American Depository Receipts or warrants or any Convertible Instruments, which is likely to have any impact on the equity of the Company.

XX. Commodity price risk or foreign exchange risk and hedging activities

The Company is in the Manufacturing of 'Textiles' and has not dealt in any commodity market and thus there is no commodity price risk. Since the Company is in the export of Textile/Garments and to cover itself from exchange rate fluctuations it goes in for partial hedging by normal booking in the normal course of the business. The Company is not involved in any speculative activities.

XXI. 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

XXII. Address for : NAHAR TOWER

Correspondence 373, Industrial Area-A,
Ludhiana - 141 003 (Pb.)

Phone No. : 0161-2665000

Fax No. : 0161-2661180, 2222942

E-mail address : secnsm@owmnaahar.com

Website : www.owmnaahar.com

**XXIII. OTHER DISCLOSURES****1. Disclosure on Materially Significant Related Party Transactions that may have potential conflict with the interest of the Company at large:**

During the year, 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 with the interest of the Company at large. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the provisions of Regulation 23 of SEBI LODR Regulations, 2015. However, the details of transactions with the Group Companies are disclosed in Notes to the Financial Statements as per applicable provisions

2. Details of Non-compliance by the Company, penalties, strictures imposed by Stock Exchanges or the Board or any Statutory Authority on any matter related to capital markets during the last three years:

The Company continues to comply with the laws / Regulations of Stock Exchanges, SEBI or any other Statutory Authorities on all matters related to capital markets during last three years. No penalty or strictures have been imposed on the company by the said authorities relating to the above.

3. Details of establishment of Vigil Mechanism/ Whistle Blower Policy:

The Board, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, has established a Whistle Blower Policy/Vigil Mechanism for its Directors and employees to report genuine concerns or grievances about the unethical behaviour, actual or suspected fraud or violation of the Code of Conduct or Policy. The Policy provide adequate safeguards against victimisation of persons who use such mechanism. The Audit Committee regularly reviews the working of the Mechanism. The mechanism provides direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. No personnel has been denied access to the Audit Committee. The Whistle Blower Policy/Vigil Mechanism is also posted on Company's Website and can be accessed at <http://owmnaahar.com/spinning/pdf/VIGI.pdf>

4. Details of compliance with mandatory requirements and adoption of non-mandatory requirements:

The company has complied with all the mandatory requirements of Corporate Governance as prescribed under SEBI LODR Regulations, 2015. Besides, the Company has also complied with some of the non mandatory requirements in respect of Corporate Governance as specified Part E of Schedule II of SEBI LODR Regulations, 2015 as detailed below:

- i. Un-modified opinion(s) in audit report: The Company is already in a regime of financial statements with un-modified audit opinion.
- ii. Separate posts of Chairman and CEO: Mr. Jawahar Lal Oswal is the Chairman of the Company and Mr. Dinesh Oswal is Managing Director of the Company. Thus the post of Chairman and Managing Director are held by different persons.
- iii. Reporting of internal auditor : The internal auditor may report directly to the Audit Committee.

The Company is yet to comply with other non mandatory requirements of the Corporate Governance as specified in Part E of Schedule II of the SEBI LODR Regulations, 2015.

5. Web link where policy for determining 'material' subsidiaries is disclosed:

The requirement of policy for determining 'material' subsidiaries is not applicable to the Company as it does not have any subsidiary.

6. Web link where policy on dealing with related party transactions is disclosed:

The Company has formulated a Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions, which can be accessed at <http://www.owmnaahar.com/spinning/pdf/RPT-NAHAR-SPINNING.pdf>

7. Disclosure of commodity price risks and commodity hedging activities:

The Company is engaged in the Textile Business and the primary raw material for the manufacturing of yarns is cotton with the share of around 60% of total cost. The Cotton being a seasonal agricultural produce, its supply, quality and price are subject to forces of nature i.e. Monsoon. The company purchase the raw cotton as per the company procurement policy so that it is able to run its plant for the whole year. During the year, the company has not dealt in any commodity market, thus there is no commodity price risk. Further, the Company is not involved in any hedging activities.

**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 helps 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 of the company, is responsible for implementation of the Code.

Reconciliation of Share Capital Audit

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 shares 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 within 30 days of the end of each quarter.

CEO and CFO Certification

As required under Regulation 17(8) of SEBI LODR Regulations, 2015, a Certificate duly signed by the Managing Director and Chief Financial Officer was placed at the meeting of Board of Directors held on 30.05.2016.

1 NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT WITH REASONS THEREOF:

The Company has complied with all the requirements of Corporate Governance Report from sub-paras (2) to (10) of Part C of Schedule V of SEBI LODR Regulations, 2015.

2 DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS AS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2)(i)(b) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

The Company has complied with all the Corporate Governance requirements as specified in Regulation 17 to 27 (except Regulation 21 and 24,

which are not applicable to the Company) and Regulation 46 (2)(i)(b) of SEBI LODR Regulations, 2015.

3 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. The Code of Conduct suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. 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. A declaration by the Managing Director/CEO in terms of SEBI LODR Regulations, 2015 to the effect that members of the Board and senior management personnel have affirmed compliance with this Code of Conduct is attached with this Report.

4 DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

- a. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: Nil
 - b. Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil
 - c. Number of shareholders to whom shares were transferred from suspense account during the year: Nil
 - d. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: Nil
 - e. That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: Not Applicable
- All the shares of the Company has already been allotted to the eligible allottees, hence there is no demat suspense account/unclaimed suspense account.

FOR AND ON BEHALF OF THE BOARD

PLACE: LUDHIANA
DATED: 12th August, 2016

JAWAHAR LAL OSWAL
(Chairman)
DIN: 00463866



MANAGING DIRECTOR'S DECLARATION

Pursuant to the requirement of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulation Act, 2015, I hereby confirm that all Board Members and Senior Management personnel of the company (as defined in the abovesaid Regulations) have affirmed compliance with 'Code of Conduct of Board of Directors & Senior Management Personnel' for the year ended 31st March, 2016.

Place: Ludhiana
Dated: 12th August, 2016

Dinesh Oswal
Managing Director
DIN: 00607290

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, 2016 as stipulated Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Place: Ludhiana
Dated: 12th August, 2016

(Partner)
M.No. 81585

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

India's Textile Sector is one of the oldest Industry in the Indian economy dating back several centuries. Even today the Industry plays a key role in the country's progress 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. It meets out the basic needs of people at large, popularly known as Roti, 'Kapada' aur Makan. The importance of the industry is evident from the fact that it provides employment, directly or indirectly to 45 million people, a significant proportion of the same are women. It contributes about 6% to India's GDP, 14% to Index of Industrial Production(IIP) and contributes 17% to the country's total exports basket.(source: Textile India Progress magazine) 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). Evidently on the basis of estimate, there appears to be great potential of growth in the textile industry.

The Government is fully conscious of its role in achieving this ambitious target and therefore continuously giving benefits under Tuff scheme in the form of interest subsidy on the capital investment. Beside, even in the forward integrated composite textile business entity the government has enhanced the incentives from 15 percent to 25 percent on capital investment in the medium, micro and small sectors subject to a ceiling of Rs. 30 crore over a period of five years. This is likely to benefit composite textiles units, like ours. To give further boost to textiles exports, the government has also announced extension of duty drawback scheme to a number of state levies which would widen the refund claim and will ultimately make Indian Textile products more competitive.

Your Management expect that Right Textiles policies/ incentives coupled with corporates efforts with help the industry to grow faster and change the manufacturing landscape and will also help in achieving the Prime Minister vision of creating more jobs.

In line with the global trends and to remain competitive, your company continues to modernize, upgrade and expand its capacities. The Company's spindlage capacity of Rs. 5 Lakh (Approx) spindles and 1080 rotors has enabled the company to position 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. The Companies which are substantially exporting its products are always prone to the possibility of adverse effect on the margins because of exchange rate fluctuation. Your company is also not immune to this and had some effect on the margins as well achieving growth. Therefore considering these hick-ups, the industry could maintain its revenue generation and thereby avoiding any major influence of the ups and downs of the industry. The recoveries in US, European Union and Asian economies augurs well for the Industry and will boost the exports to these economies in the coming periods.

We would like to inform you that China is the world leader in the Textile and Apparel Industry. But recently it has been observed that it is moving up in the value chain and is exporting highly sophisticated and high-tech textile products to US, European Union and other countries. The space vacated by the China can be filled up by India's Textile Industry. Moreover the slowdown of China textile exports on account of various factors i.e. increased labour cost, steadily appreciating currency and increased domestic demand is proving to be 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 an ambitious target for Indian Textile and Apparel industry of \$350 billion by 2025.

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, Vietnam, Taiwan and Pakistan etc., who have got the preferred treatment from the countries of European Union and U.S. Moreover the fortune of the Textile Industry depends upon the availability of good quality cotton at reasonable prices and stability in the currency valuation. This year less acreage of land under cotton cultivation and whitefly attack on cotton crop in Punjab is likely to affect the cotton output. Moreover lack of rains in some states like Maharashtra and Gujarat may also affect the cotton output which in turn will push the prices of raw cotton. The rise in the prices of raw cotton is going to make Indian Apparel costlier and will affect India's competitiveness in global trade.

From the above it is evident that there is going to be challenging times ahead. The Government must support the industry to retain its competitive edge and face the challenges for future sustainability and growth. We are quite hopeful that the special package announced by the Central Government recently, will help the Industry to grow faster and increase its share in the global markets.

Future Outlook

As already informed in the para above, last year has been a challenging year for the textile industry. In spite of several impediments of growth, India has been able to maintain a steady growth in the Textile Industry and is poised to maintain the rising trend in the coming periods.

We are of the firm opinion that the future of the Textile Industry is quite promising. We hope that 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 yester years, 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.

Risk 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, prevalent interest rates and power cost. 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 like increased power costs, uninterrupted power supply, higher transaction costs, high cost of labour are posing a risk to the growth of Indian Textile Industry. The Government should continue to extend a helping hand to the Industry so that it remain Globally competitive and contribute towards the growth of the country.

Internal Control Systems and their adequacy

The Company is maintaining an efficient and effective system of Internal Financial Control for facilitating accurate compilation of financial statements. The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with procedures, laws and regulations. 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 who is a qualified Chartered Accountant. 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 five 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. The Company has been able to sustain its operational performance despite the inherent volatility associated with Textile sector. The company achieved an operating income of Rs. 2038.25 crores out of which Rs. 1277.70 crores is an export turnover. The Company earned a profit before tax and depreciation of Rs. 180.69 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. 49.89 crores. The detailed performance has already been discussed in the Director's Report under the column 'Operational Review and State of Affairs'.

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 12397 as on 31st March, 2016. 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: 12th August, 2016

JAWAHAR LAL OSWAL

(Chairman)

DIN: 00463866

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@owmnahar.com or gredressalnsml@owmnahar.com.

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



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 Nahar Spinning Mills Ltd ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and 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 and presentation 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 thereunder.

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 control 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. An audit also includes evaluating the appropriateness of the 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, of the state of affairs of the Company as at 31 March 2016 and its profit and its 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, 2016 ("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, a statement on the matters specified in the paragraph 3 and 4 of the order.
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 purposes of our audit.
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those 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 the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;



- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g. 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) to the financial statements;
 - (II) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - (III) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Place: LUDHIANA.
Dated: 30.05.2016

VINOD KUMAR KHANNA
PARTNER
M.NO. 081585

ANNEXURE-A TO INDEPENDENT AUDITORS' REPORT

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

- l) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, 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.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) The physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on the physical verification.
- iii) (a) The Company has granted loans to one body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (b) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
- (c) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
- (d) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to information and explanation given to us, The Company has not accepted any deposits from the public during the year covered under the provisions of section 73 or 76 or any other relevant provisions of the Companies Act, 2013.
- (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 records have been maintained. We have, however no made a detailed examination of 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 on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company does not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax,



cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes:

Name of due/ Name of Statute	Nature of Dues	Amount (In Lacs)	Period of which to which it Relates	Forum where dispute is pending
The Finance Act, 1994	Service Tax	11.49	2004-2005	High Court of Jabalpur
The Central Excise Act, 1944	Excise Duty	4.70	1994-1995	High Court of Jabalpur
The Customs Act, 1962	Drawback	0.93	2006-2007	High Court of Jabalpur
The Central Excise Act, 1944	Excise Duty	17.46	2001-2002	High Court of Jabalpur
MP Commercial & Vat Act	Entry Tax	2.94	2012-2013	Appellate Tribunal
The Finance Act, 1994	Service Tax	3.53	2012-2014	Commissioner Appeal
The Income Tax Act, 1961	Income Tax	15.52	2010-2011	CIT (A), Ludhiana
The Income Tax Act, 1961	Income Tax	351.59	2011-2012	CIT (A), Ludhiana
The Income Tax Act, 1961	Income Tax	9.29	2013-2014	CIT (A), Ludhiana
The Finance Act, 1994	Service Tax	2.83	2007-2008	CESTAT
Central Excise Act, 1944	Excise Duty	34.67	2006-2007	CESTAT

- viii)The Company has not defaulted in repayment of any loans or borrowings from any financial institution, banks, government or debenture holders during the year.
- (ix)The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi)According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii)In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- (xiii)According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv)According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Place: LUDHIANA.
Dated: 30.05.2016

VINOD KUMAR KHANNA
PARTNER
M.NO.081585

ANNEXURE-B TO INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Nahar Spinning Mills Ltd("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to



company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: LUDHIANA.
Dated: 30.05.2016

VINOD KUMAR KHANNA
PARTNER
M.NO.081585

**CASH FLOW STATEMENT FOR THE YEAR 1ST APRIL, 2015 TO 31ST MARCH, 2016**

(Rs. in Lacs)

PARTICULARS	Current Year	Previous Year
Cash Flow from Operating Activities		
Net Profit Before Tax and Extra ordinary activities	7,962.38	1483.93
Adjustments for :		
Depreciation (net of exceptional items) ref note 28xvii(a)	10107.10	13,023.18
Finance Cost	5,763.28	7,948.41
Interest received	(319.77)	(365.90)
Dividend Income	(30.78)	(8.70)
Net Gain on Sale of Investments	(7.23)	(105.46)
Profit/ Loss on sale of Fixed Assets/ subsidies adjustments	(298.15)	(131.45)
Operating Profit before Working Capital Changes	23176.83	20,360.08
Adjustment for:		21844.01
Trade Receivables	2,209.99	2,689.65
Inventories	(6,620.94)	3,036.34
Increase(Decrease) in Short term Loans & Advances	1,307.06	(1,236.76)
Increase(Decrease) in Long Term Loans & Advances	544.35	2,635.11
Increase(Decrease) in Short Term Borrowings	2,011.83	(8,009.58)
Increase (Decrease) in Other current liabilities	(938.96)	(773.48)
Trade Payables	388.85	(2,258.54)
Cash Generated from Operations	22,079.01	17,926.75
Interest paid	(2,339.95)	(4,146.42)
Direct Taxes Paid	(2,925.34)	(359.61)
Net cash flow from operating Activities	16,813.72	13,420.72
Cash Flow from investing activities		
Purchase of Fixed Assets	(5,722.64)	(12,788.43)
Capital Work in Progress	1,403.54	2,234.01
Sale of Fixed Assets	382.14	271.34
Sale of Investments	1,694.74	999.84
Interest Received	319.77	365.90
Dividend Income	30.78	8.70
Increase in Investment	(2,496.39)	(7.09)
Net cash used in investing activities	(4,388.06)	(8,915.73)
Cash Flow from Financing Activities		
Proceeds from Long Term Borrowings	2,599.98	9,195.19
Repayment of Long Term Borrowings	(10,823.40)	(9,338.45)
Interest Paid	(3,423.33)	(3,801.99)
Dividend Paid	(360.65)	(360.65)
Corporate Dividend Tax Paid	(73.42)	(61.29)
Net Cash Used in Financing Activities	(12,080.82)	(4,367.19)
Net Increase in Cash & Cash Equivalents	344.84	137.80
Opening Cash and Cash Equivalents and other bank balances	938.30	800.50
Closing Cash and Cash Equivalent and other bank balances	1,283.14	938.30

For & On behalf of the Board

Place : Ludhiana
Date : 30.05.2016BRIJ SHARMA
Company SecretaryANIL GARG
Chief Financial OfficerS.K.SHARMA
DirectorDINESH OSWAL
Managing Director**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, 2016 with the books and records maintained in the ordinary course of business and found the same in accordance therewith.

Place : Ludhiana
Date : 30.05.2016For GUPTA VIGG & COMPANY
Chartered Accountants
Firm Reg.No.001393NVINOD KUMAR KHANNA
Partner
(M.No.081585)

**BALANCE SHEET AS AT 31ST MARCH, 2016**

(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	78565.30	74227.14
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	27307.99	34627.72
(b) Deferred tax liabilities (Net)	4	4167.01	4317.00
(3) Current Liabilities			
(a) Short-term borrowings	5	64313.64	62301.81
(b) Trade Payables	6	3517.73	3128.88
(c) Other current liabilities	7	16626.74	18469.39
(d) Short-term provisions	8	3626.11	1384.07
Total		199929.83	200261.32
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	82247.58	86716.03
(ii) Intangible assets	9	0.00	0.00
(iii) Capital work-in-progress		630.20	2033.74
(b) Non-current investments	10	1504.47	695.59
(c) Long term loans and advances	11	3338.60	3882.95
(2) Current assets			
(a) Current investments	12	200.00	200.00
(b) Inventories	13	63542.93	56921.99
(c) Trade receivables	14	36285.60	38495.59
(d) Cash and Bank Balances	15	1283.14	938.30
(e) Short-term loans and advances	16	10897.31	10377.13
Total		199929.83	200261.32

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

DINESH OSWAL
Managing Director

Place: Ludhiana
Date : 30.05.2016

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

(Rs. In Lacs)

PARTICULARS	NOTE NO.	Current Year	Previous Year
Income			
Revenue from operations	17	203825.30	214962.21
Less: Excise Duty		0.75	1.23
		203824.55	214960.98
Other Income	18	1558.67	1130.04
Total Revenue		205383.22	216091.02
Expenses:			
Cost of materials consumed	19.a	112465.17	127448.66
Purchase of Stock-in-Trade	19.b	560.24	466.82
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	428.52	-279.71
Employee benefit expense [refer note 28 (xix)]	21	19571.05	17617.92
Finance costs	22	5763.28	7948.41
Depreciation and amortization expense	9	10107.10	13056.21
Other expenses	23	48405.08	48381.81
Total Expenses		197300.44	214640.12
Profit/(Loss) before exceptional items and tax		8082.78	1450.90
Exceptional items [refer note 28 xvii(a)]		0.00	-33.03
CSR expenses u/s 135 of Companies Act,2013 [refer note 28 xv]		120.40	0.00
Profit/(Loss) after Exceptional items and before tax		7962.38	1483.93
Tax expense:			
(1) Current tax			
Provision for Taxation		2975.00	950.00
Less: MAT Entitlement		0.00	615.00
		2975.00	335.00
(2) Deferred tax		-150.00	-887.70
		2825.00	-552.70
Profit(Loss) from the period		5137.38	2036.63
Earning per equity share:	27		
(1) Basic		13.83	5.60
(2) Diluted		13.83	5.60

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**DINESH OSWAL**
Managing DirectorPlace: Ludhiana
Date : 30.05.2016



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>1805.31</u>	<u>2.04</u> <u>1805.31</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>46557.90</u>		<u>46961.67</u>	
	Less : Value of the Asset Adjusted [refer note 28 xvii(b)]	<u>0.00</u>		<u>1903.77</u>	
	Add: Transfer From Surplus	<u>4000.00</u> <u>50557.90</u>		<u>1500.00</u> <u>46557.90</u>	



		(Rs. In Lacs)	
Note No.	PARTICULARS	Current Year	Previous Year
	E) Surplus		
	Balance as per Last Balance Sheet	5195.53	5108.49
	Profit/(Loss) Transfer From Profit & Loss A/c	5137.38	2036.63
	Less: Adjustment of Income Tax earlier Years	148.11	15.52
	Less: Proposed Dividend	540.98	360.65
	Less: Tax on Dividend	110.13	73.42
	Less: Balance Transfer to General Reserve	4000.00	1500.00
	Balance at the end	5533.69	5195.53
	TOTAL	78565.30	74227.14
3.	LONG TERM BORROWINGS		
	SECURED		
	TERM LOANS		
	I. FROM STATE BANK OF INDIA	3967.08	2567.10
	The Term Loan is secured by first charge on the entire fixed assets of the company on pari-passu basis with consortium member banks. The Term loan is personally guaranteed by three Directors of the company.		
	- Term loan of Rs.8000 Lacs is repayable in quarterly installments by 31/03/2020 ROI is 9.75% p.a		
	II. FROM STATE BANK OF PATIALA	2095.34	3842.18
	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 is repayable in quarterly installments by 01/04/2018. ROI is 10.65% p.a		
	III. FROM PUNJAB NATIONAL BANK	0.00	239.23
	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 30/04/2016. ROI 10.10% p.a		
	IV. FROM ORIENTAL BANK OF COMMERCE	4912.27	7124.31
	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	
	<p>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.</p> <p>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 on pari - passu basis with other term lenders. The Term Loans are personally guaranteed by three Directors of the Company.</p> <ul style="list-style-type: none">- Term loan of Rs.7500 Lacs is repayable in quarterly installments by 30/06/2016.- 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. <p>ROI is 10.70% p.a</p>			
	V FROM IDBI BANK LTD	4633.13	5985.24	
	<p>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.</p> <ul style="list-style-type: none">- Term loan of Rs.11000 Lacs repayable in quarterly installments by 01/07/2020. <p>ROI is 10.50% p.a</p>			
	VI FROM ALLAHABAD BANK	11700.17	14869.66	
	<p>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.</p> <ul style="list-style-type: none">- Term loan of Rs 19700 lacs. is repayable in quarterly installments and last installment due on 30/09/2019. ROI is 10.50% p.a			
	TOTAL	<u>27307.99</u>	<u>34627.72</u>	
4. DEFERRED TAX LIABILITIES (NET)				
	Timing Difference on account of Depreciation, change in rate of Tax etc.	4225.85	4521.00	
	Add/Less: Timing Difference on account of Allowances under section 43B, & Others	58.84	204.00	
	TOTAL	<u>4167.01</u>	<u>4317.00</u>	



(Rs. In Lacs)

Note No.	PARTICULARS	Current Year	Previous Year
5.	SHORT TERM BORROWINGS		
	Loans repayable on Demand (Secured)		
	WORKING CAPITAL BORROWINGS FROM BANKS	64313.64	62301.81
	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>64313.64</u>	<u>62301.81</u>
6.	TRADE PAYABLES	<u>3517.73</u>	<u>3128.88</u>
	[refer note 28 (xiii)]		
7.	OTHER CURRENT LIABILITIES		
	A) Current Maturities of Long-Term Debt	9917.28	10820.97
	B) Interest accrued but not due on borrowings	0.00	2.82
	C) Unpaid Dividend	66.84	71.64
	D) Others	6642.62	7573.96
	TOTAL	<u>16626.74</u>	<u>18469.39</u>
8.	SHORT TERM PROVISIONS		
	A) Provisions for Employee's Benefits	0.00	0.00
	B) Others		
	Provision for Taxation	2975.00	950.00
	Proposed Dividend	540.98	360.65
	Tax on Proposed Dividend	110.13	73.42
	TOTAL	<u>3626.11</u>	<u>1384.07</u>



9. FIXED ASSETS										(Rs. In Lacs)	
Name of the Assets	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK			
	As on 01.04.2015	Addition During the Year	Sale/Adj During the year	As on 31.03.2016	As on 01.04.2015	Trf. to Retained earnings For the year	*Other Adjustment	Written back in the year	AS ON 31.03.2016	As on 31.03.2015	
1. TANGIBLE ASSETS:											
Free hold Land	14,295.89	949.86	-	15,245.75	-	-	-	-	-	15245.75	14295.89
Building	41,053.52	596.26	-	41,649.78	13,230.07	1,324.15	-	-	14554.22	27095.56	27823.45
Plant & Machinery	143,744.60	3,996.73	1,297.77	146,443.56	100,719.06	8,447.62	-	1,232.91	107933.77	38509.79	43025.54
Vehicles	1,263.50	47.53	125.32	1,185.71	777.10	140.58	-	106.19	811.49	374.22	486.40
Other Equipments	2,103.45	32.62	-	2,136.07	1,518.14	117.65	-	-	1635.79	500.28	585.31
Furniture & Fixture	1,216.63	99.64	-	1,316.27	717.19	77.10	-	-	794.29	521.98	499.44
Total (A)	203677.59	5722.64	1423.09	207977.14	116961.56	10107.10	-	1339.10	125729.56	82247.58	86716.03
2. Intangible Assets :											
Software	18.31	-	-	18.31	18.31	-	-	-	18.31	-	-
Total (B)	18.31	-	-	18.31	18.31	-	-	-	18.31	-	-
Total (A+B)	203695.90	5722.64	1423.09	207995.45	116979.87	10107.10	-	1339.10	125747.87	82247.58	86716.03
Previous Year											
A) Tangible Assets :	191,850.73	12,788.43	961.57	203,677.59	101,877.19	2,884.07	33.03	821.67	116961.56	86716.03	89973.54
B) Intangible Assets :	18.31	-	-	18.31	17.10	1.21	-	-	18.31	-	1.21
Total (A+B)	191869.04	12788.43	961.57	203695.90	101894.29	2884.07	33.03	821.67	116979.87	86716.03	89974.75

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



(Rs. In Lacs)

Note No.	PARTICULARS	Current Year	Previous Year
10.	NON-CURRENT INVESTMENTS		
	Investment in equity instruments & Debt Funds		
	Quoted (At Cost)		
	In Group Companies		
	i) 577856 Equity Shares of Rs. 5/- each fully paid up of Nahar Capital & Financial Services Ltd. (Previous Year 567656 Equity shares)	252.26	247.62
	ii) 1247063 Equity Shares of Rs.5/- each fully paid up of Nahar Poly Films Ltd. (Previous Year 1060620 Equity Shares)	482.52	435.00
	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
	v) 300000 Preference Shares of Rs.100/- each fully paid up of L&T Finance Holdings Ltd. (Previous Year Nil)	300.00	0.00
	vi) 7007 Tax free Bonds of Rs.1000/- each fully paid up of Housing and Urban Development Corporation Ltd. 7.39% (Previous year Nil)	70.07	0.00
	vii) 15058 Tax free Bonds of Rs.1000/- each fully paid up of Housing and Urban Development Corporation Ltd. 7.39% (Previous year Nil)	150.58	0.00
	viii) 5878 Tax free Bonds of Rs.1000/- each fully paid up of Indian Railway Finance Corporation Ltd. 7.35% (Previous year Nil)	58.78	0.00
	ix) 10020 Tax free Bonds of Rs.1000/- each fully paid up of National Bank for Agricultural and Rural Development. 7.35% (Previous year Nil)	100.20	0.00
	x) 7709 Tax free Bonds of Rs.1000/- each fully paid up of National Highways Authority of India. 7.35% (Previous year Nil)	77.09	0.00
	Unquoted (At Cost)		
	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>1504.47</u>	<u>695.59</u>
	Book value of quoted investment	1504.47	695.59
	Book value of unquoted investment	0.005	0.005
	Market Value of Quoted Investments	1511.99	593.87



			(Rs. In Lacs)
Note No.	PARTICULARS	Current Year	Previous Year
11.	LONG TERM LOANS AND ADVANCES		
	(Unsecured Considered Good)		
	A) Capital Advances	1199.38	1430.17
	B) Security Deposits	2139.22	2452.78
	TOTAL	3338.60	3882.95
12.	CURRENT INVESTMENTS		
	A) Investments in Mutual funds		
	QUOTED(At Cost)		
	i) (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
	ii) (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
	TOTAL	200.00	200.00
	Book value of quoted investment	200.00	200.00
	Market Value of Quoted Investments	247.94	233.78
13.	INVENTORIES		
	Stores & Spares	1797.97	1531.14
	Goods in Transit (Store & Spare)	0.13	0.14
	Raw Material	43290.71	36496.83
	Goods in Transit (Raw Material)	33.99	45.23
	Work in Progress	4752.88	5805.71
	Finished Goods	12630.58	12375.50
	Stock in Trade	178.76	87.14
	Waste and Rejections	857.91	580.30
	TOTAL	63542.93	56921.99
14.	TRADE RECEIVABLES		
	(Unsecured Considered Good Unless Otherwise Stated)		
	Trade Receivables Outstanding for a Period Exceeding Six Months	107.52	89.76
	(out of above Rs.65.60 Lacs Previous year Rs.65.60 Lacs Considered Doubtful and same has been provided for)		
	Less : Provision for Doubtful Debts	65.60	65.60
		41.92	24.16
	Other Trade Receivables	36243.68	38471.43
	TOTAL	36285.60	38495.59
15.	CASH AND BANK BALANCES		
	A) Cash and Cash equivalents		
	i) Balances with banks	985.66	605.30
	ii) Cheques, drafts in hand	0.00	11.25
	iii) Cash in Hand	49.19	68.89



(Rs. In Lacs)

Note No.	PARTICULARS	Current Year	Previous Year
	B) Other Bank Balances		
	i) In Dividend Accounts	66.84	71.63
	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	3.15	181.23
	TOTAL	1283.14	938.30
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.	1.10	1.11
	ii. Modvat / Cenvat Credit Unutilised	538.68	597.77
	iii. Others	7362.64	8610.60
	C) Advance Taxes	2994.89	1167.65
	TOTAL	10897.31	10377.13
17.	REVENUE FROM OPERATIONS		
	A) Sale of Products		
	(i) Export Sales	127770.52	139320.33
	(ii) Domestic Sales	69854.39	68815.87
	(iii) Export Incentives	5373.92	5660.68
	B) Sale of Services	360.42	711.78
	C) Other Operating Revenues		
	Sales Miscellaneous	244.09	329.83
	Rebate and Discount Received	58.67	52.21
	Claims Received	27.02	40.68
	Miscellaneous Receipts	136.27	30.83
	TOTAL	203825.30	214962.21
	Detail of Sale		
	i) Export Sales		
	Hosiery Garments	22673.53	22670.75
	Cotton/ Blended yarn	104966.24	116437.19
	Waste & Others	130.75	212.39
	TOTAL	127770.52	139320.33
	ii) Domestic Sales		
	Hosiery Garments	1526.14	1329.30
	Cotton/ Blended yarn	52206.68	51675.31
	Waste	12062.29	14078.70
	Others	4059.28	1732.56
	TOTAL	69854.39	68815.87



(Rs. In Lacs)

Note No.	PARTICULARS	Current Year	Previous Year
18.	OTHER INCOME		
	A) Interest Income	319.77	365.90
	B) Dividend Income		
	From Non-Current investments	30.78	8.70
	C) Net Gain on sale of Investments		
	From Current investments	7.23	61.30
	From Non-Current investments	0.00	44.16
	D) Gain on sale of Fixed Assets	300.47	142.84
	E) Previous Year Expenses Written Back	392.97	137.07
	F) Previous Year Income	20.32	25.59
	G) Rental Income	166.53	149.06
	H) Balance Written Back	91.26	78.16
	I) Miscellaneous Income	229.34	117.26
	TOTAL	1558.67	1130.04
19.a	COST OF MATERIALS CONSUMED		
	OPENING STOCK	36496.83	39448.40
	Add: Purchases (Net)	119259.05	124497.09
	Less: Closing Stock	43290.71	36496.83
	TOTAL	112465.17	127448.66
	Details of material Consumed		
	Cotton yarn/ acrylic/blended yarn	13622.57	16178.42
	Cotton/Manmade/Synthetic fibres *	98705.41	111164.84
	Others	137.19	105.40
	TOTAL	112465.17	127448.66
	Imported	4151.16	1479.39
		3.69%	1.16%
	Indegenous	108314.01	125969.27
		96.31%	98.84%
	* 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	560.24	466.60
	Cotton Yarn	0.00	0.22
	TOTAL	560.24	466.82
20.	CHANGES IN INVENTORIES OF FINISHED GOODS/ WORK-IN-PROGRESS/STOCK-IN-TRADE		
	Opening Stock		
	Work-in-Progress	5805.71	6610.14
	Finished Goods, Stock in Trade & Waste	13042.94	11958.80
	Less: Closing Stock		
	Work-in-Progress	4752.88	5805.71
	Finished Goods, Stock in Trade & Waste	13667.25	13042.94
		428.52	-279.71



(Rs. In Lacs)

Note No.	PARTICULARS	Current Year	Previous Year
21.	EMPLOYEE BENEFIT EXPENSES		
	A) Salaries and wages	17376.12	15601.96
	B) Contribution to PF, ESI and Gratuity Fund	1719.71	1601.36
	C) Staff Welfare Expenses	475.22	414.60
	TOTAL	19571.05	17617.92
22.	FINANCE COSTS		
	A) Interest Expenses		
	(i) Interest on Term Loan	3423.33	3801.99
	(ii) Interest on Cash Credit	2259.43	4070.02
	(iii) Interest to Others	2.28	2.82
	B) Other Borrowing Costs	78.24	73.58
	TOTAL	5763.28	7948.41
23.	OTHER EXPENSES		
	Consumption of stores & spare parts	1307.66	1455.68
	Power and Fuel	26202.04	26861.01
	Dyes & Chemicals	2572.10	3002.00
	Fabrication Charges	1.61	2.42
	Rent	31.70	29.06
	Repair to Buildings	175.29	201.66
	Repair to Machinery	2856.06	2645.28
	Insurance	266.64	276.74
	Rates & Taxes	200.05	124.14
	Auditors Exp		
	Audit Fees	21.39	20.08
	Tax Audit Fees	3.66	3.61
	Certification Charges	3.28	3.67
	Out of Pocket Expenses	0.80	1.12
	Exchange Rate Diff.(Net)	32.80	27.00
	Previous Year Expenses	102.06	38.69
	Previous Year Income Written Off	22.82	14.72
	Brokerage / Commission on Sale	1559.54	1947.50
	Cost of Raw Material Sold	2485.84	667.51
	Forwarding Charges	4372.33	4983.05
	Packing Store Consumed	3647.76	3584.47
	Vehicle Maintenance and Conveyance	409.13	431.90
	Bank Charges	518.08	648.44
	Rebate and Discount	208.63	104.13
	Others	1403.81	1307.93
	TOTAL	48405.08	48381.81

**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 (Account) 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.
- h) Rental income is accounted for on accrual basis

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 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. 1662.54 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.462.15 Lacs (Previous Year Rs.404.52 Lacs) out of which a sum of Rs.7.20 Lacs(Previous Year Rs. 7.20 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 lac (Previous year 3212.54 Lac) 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 Lac. 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) Adhiniyam 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. 182.28 Lacs (Previous year Rs.170.65 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 Lacsl) .It has no material 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	3177.45 Lacs	3212.89 Lacs
On Others	221.04 Lacs	7.37 Lacs

- II. The Company has executed legal agreement/bonds/undertakings for the sum of Rs.Nil (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.Nil (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.Nil (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	Rs. in Lacs	
	Current Year	Previous Year
Profit/(Loss) after Taxation	5,137.38	2,036.63
Less: Adjustment of Income Tax earlier Years	148.11	15.52
Profit After adjustment of earlier year Income Tax	4,989.27	2,021.11
Weighted Average Number of Shares Issued	36,065,303	36,065,303
Earning Per Share in Rs. (Basic & Diluted)	13.83	5.60

(There are no Potential equity shares)
(Face Value of Rs. 5/- Share)

28. Other Notes

- i. 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.
- ii. 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
- iii. Some balances of Trade Payables, Advances and Trade Receivables are subject to their Confirmation.
- iv. Borrowing cost amounting Rs. 18.42 Lacs (Previous Year Rs.95.59 Lacs) has been capitalized during the year.
- v. Material events occurring after the balance sheet date are taken into cognizance.
- vi. Prior period and extraordinary changes in accounting policies, having material effect on the financial affairs of the Company (if any) are disclosed.
- vii. The accounts of the Company have been prepared on going concern basis.
- viii. Previous year figures have been regrouped/recasted/rearranged/reclassified wherever necessary to make them comparable.
- ix. All figures have been rounded off to the nearest Rs.Lacs
- x. Income in respect of Carbon Credits is accounted for only on sale as it does not have any cost to the company.
- xi. 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.
- xii. 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
- xiii. 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
- xiv. Impact of prior period items on Profits/(Loss) is as under:

	Rs. In Lacs	
	Current Year	Previous Year
Pre- Tax Profit /(Loss) after adjustment of prior period Item	7962.38	1483.93
Add: Prior Period Expense	124.88	53.41
Less: Prior Period Income	413.29	162.66
Net Profit/(Loss) Before Prior Period Items	7673.97	1374.68

- xv. 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 119.25 Lacs 110.51 Lacs
 - b) The amount Spent 120.40 Lacs* 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.

* The company, during the year contributed Rs. 120.40 Lacs to M/s. Oswal Foundation, a special purpose Vehicle, which has undertaken projects in the fields of environmental sustainability, promoting education and special education for differently abled persons, for the purpose of doing CSR activities on behalf of the company and other group companies.



- xvi. The Company had entered into a contract with Trident International Holdings FZCO, Dubai to purchase property for a consideration of Thirteen Million Three hundred nineteen thousand eight hundred ninety eight Dirhams. The company has paid Seven Million Nine hundred ninety one thousand nine hundred forty Dirhams. (INR 939.51 Lacs) As per the contract, the above said party was supposed to handover the contracted property at the end of 1st Quarter of 2011. The said party breached the contract, thus company is entitled to seek full payment of the amount paid and reasonable interest and damages etc. and for this purpose, claim before Dubai International Arbitration Center, Dubai has been filed seeking relief through Arbitration. The matter is pending before them. Amount paid by the company has been shown as capital advance.
- xvii (a) Current year Nil (previous year 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) Current year Nil (Previous year 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 The company is operating in single segment i.e Textiles., Hence segment reporting as required under Accounting Standard 17 (Segment Reporting), is not applicable.
- xix. Ministry of Corporate Affairs vide letter dated 17.02.2016 has approved M.D.Remuneration of Rs. 696 Lacs p.a for the period 01/04/2014 to 31/12/2016 jointly from M/s Nahar Spinning mills Ltd. and Nahar Capital & Financial Services Ltd. During the year 2014-15, M.D. remuneration amounting to Rs. 59.97 Lacs only was paid by the company accordingly balance Rs. 516 lacs has been paid during the year 2015-16
- 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	Other Related Parties/ Group Companies		Key management Personnel & Their relative		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of Goods/Services	689.77	762.50	-	-	689.77	762.50
Sale of Goods/shares/Services	3,747.32	3,728.15	-	-	3,747.32	3,728.15
Sale of shares	-	34.41	-	34.05	-	68.46
Purchase of Fixed Assets	2.55	46.64	-	-	2.55	46.64
Sale of Fixed Assets	0.48	27.00	-	-	0.48	27.00
Rent Paid	22.75	20.54	3.45	2.99	26.20	23.53
Rent Received	88.83	62.79	8.44	7.80	97.27	70.59
Interest Received	6.38	87.37	-	-	6.38	87.37
Reimbursement of expenses paid	67.98	51.88	-	-	67.98	51.88
Reimbursement of expenses received *	1,655.09	7,399.83	-	-	1,655.09	7,399.83
CSR Expenses	120.40	-	-	-	120.40	-
Sale of Export Licence	233.18	391.58	-	-	233.18	391.58
Purchase of Export Licence	2.28	0.37	-	-	2.28	0.37
Inter-corporate Loans Received Back	1,890.00	2,058.00	-	-	1,890.00	2,058.00
Inter-corporate Loans Given	1,890.00	2,058.00	-	-	1,890.00	2,058.00
Director Sitting Fee	-	-	0.90	0.60	0.90	0.60
Managerial Remuneration/Perquisites	-	-	1,091.43	59.97	1,091.43	59.97
Salary	-	-	10.60	5.40	10.60	5.40
Balance Receivable	997.33	1,154.93	-	-	997.33	1,154.93
Balance Payable	1.00	0.15	34.03	-	35.03	0.15



* 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 - Nil

Other Related Parties/ group Companies.*

Nahar Capital & Financial services Ltd., Nahar Poly Films Ltd., Nahar Industrial Enterprises Ltd., Oswal Woollen Mills Ltd.,Vanaik Spinning Mills Ltd., 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.,Oswal Leasing Ltd.,Nahar Financial and Investment Ltd.,White Tiger Breweries and Distilleries Ltd.,Vigil Investment P Ltd.,Shri Atam Fabrics Ltd.,Cabot Trading and Investment Co. P Ltd.,Retailerkart E Venture Pvt. Ltd.,Marble Retail P Ltd., Suvrat Trading Co. Ltd.,Amloh Industries Ltd.,Oswal Foundation.

Key Management Personnel & their relative.

Sh. Dinesh Oswal, Sh. Jawahar Lal Oswal, Sh. Kamal Oswal, Mrs. Abhilash Oswal, Mrs. Ruchika Oswal, Mrs. Manisha Oswal, Mrs. Ritu Oswal, Mrs. Monika Oswal, Mr. Sambhav Oswal and Mr. Rishab Oswal.

* Other related parties includes the Companies in which the Key Management Personnel or their relatives have significant influence, 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 31.03.2016. (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	2423.94	2,123.10
Interest Cost	182.86	188.75
Current Service Cost	336.48	290.09
Benefit Paid	159.06	165.07
Acturial gain/(Loss) on obligation	68.50	12.93
Present Value of Obligations as at end of year	2,715.72	2,423.94
2. Reconciliation opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of year	1,958.33	1,680.93
Expected return on plan assets	177.44	157.43
Contribution	417.51	301.60
Benefit paid	159.06	165.07
Acturial Gain/(Loss) on Plan Assets	(9.89)	16.56
Fair Value of plan assets at the end of year	2,384.33	1,958.33
3. Reconciliation of Fair value of assets and obligations		
Present value of obligations as at the end of year	2,715.72	2,423.94
Fair value of plan assets as at the end of the year	2,384.33	1,958.33
Net Assets/(Liability) recognized in the Balance Sheet	331.39	465.61
4. Expenses Recognized in statement of Profit & Loss		
Current Service Cost	336.48	290.09
Interest Cost	182.86	188.75
Expected return on plan assets	177.44	157.43
net Acturial Gain/(Loss) recognized	58.61	(3.63)
Expenses Recognized in statement of Profit & Loss	283.30	325.04
5. Assumptions		
Discount Rate	7.70%	7.80%
Salary Escalation	7.00%	7.00%
Mortality table	2006-08(Ultimate)	2006-08(Ultimate)

**xxii. Foreign Currency Exposure**

The foreign Currency exposure of the company as on March 31, 2016 is an under. The Company does not use forward contracts for speculative purpose

Category wise quantitative data	Current year		Previous year	
Type of Contract	No. of Contracts	Amount in USD (lacs)	No. of Contract	Amount in USD(lacs)
Forward contracts against exports	56	281.78	53	248.84
Forward contracts against imports	2	8.70	Nil	Nil

xxiii. VALUE OF STORES, SPARE PARTS & COMPONENTS CONSUMED

	Current Year	Previous Year
IMPORTED	1122.66 8.19%	999.31 7.58%
INDIGENOUS	12582.21 91.81%	12176.81 92.42%
TOTAL	13704.87	13176.12

(It includes value of stores sold)

xxiv. CIF VALUE OF IMPORTS

	Current Year	Previous Year
Raw Material	3180.22	1475.46
Stores & Spares	1240.52	1122.94
Capital Goods	1578.16	1301.71

xxv. EXPENDITURE IN FOREIGN CURRENCY

	Current Year	Previous Year
Travelling	151.63	46.17
Export Development Exp.	60.55	53.01
Export Commission/Rebate	1005.06	1233.61
Others	78.96	36.90

xxvi. EARNING IN FOREIGN EXCHANGE

	Current Year	Previous Year
Export of Goods/Services on F.O.B. Basis	125992.82	137709.46
Discount/Rent/Interest Received/Others	104.16	74.68

NAHAR SPINNING MILLS LTD

Registered office: 373, Industrial Area – A, Ludhiana – 141003

CIN: L17115PB1980PLC004341

E-mail: secnsm@owmnaahar.com; Website: www.owmnaahar.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 12, 2016 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	ADOPTION OF FINANCIAL STATEMENTS			
2	DECLARATION OF DIVIDEND ON EQUITY SHARE CAPITAL			
3	APPOINTMENT OF MR. JAWAHAR LAL OSWAL AS A DIRECTOR LIABLE TO RETIRE BY ROTATION			
4	APPOINTMENT OF MR. SATISH KUMAR SHARMA AS A DIRECTOR LIABLE TO RETIRE BY ROTATION			
5	APPOINTMENT OF AUDITORS			
6	RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY			
7	REAPPOINTMENT OF MR. DINESH OSWAL, MANAGING DIRECTOR OF THE COMPANY			

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.

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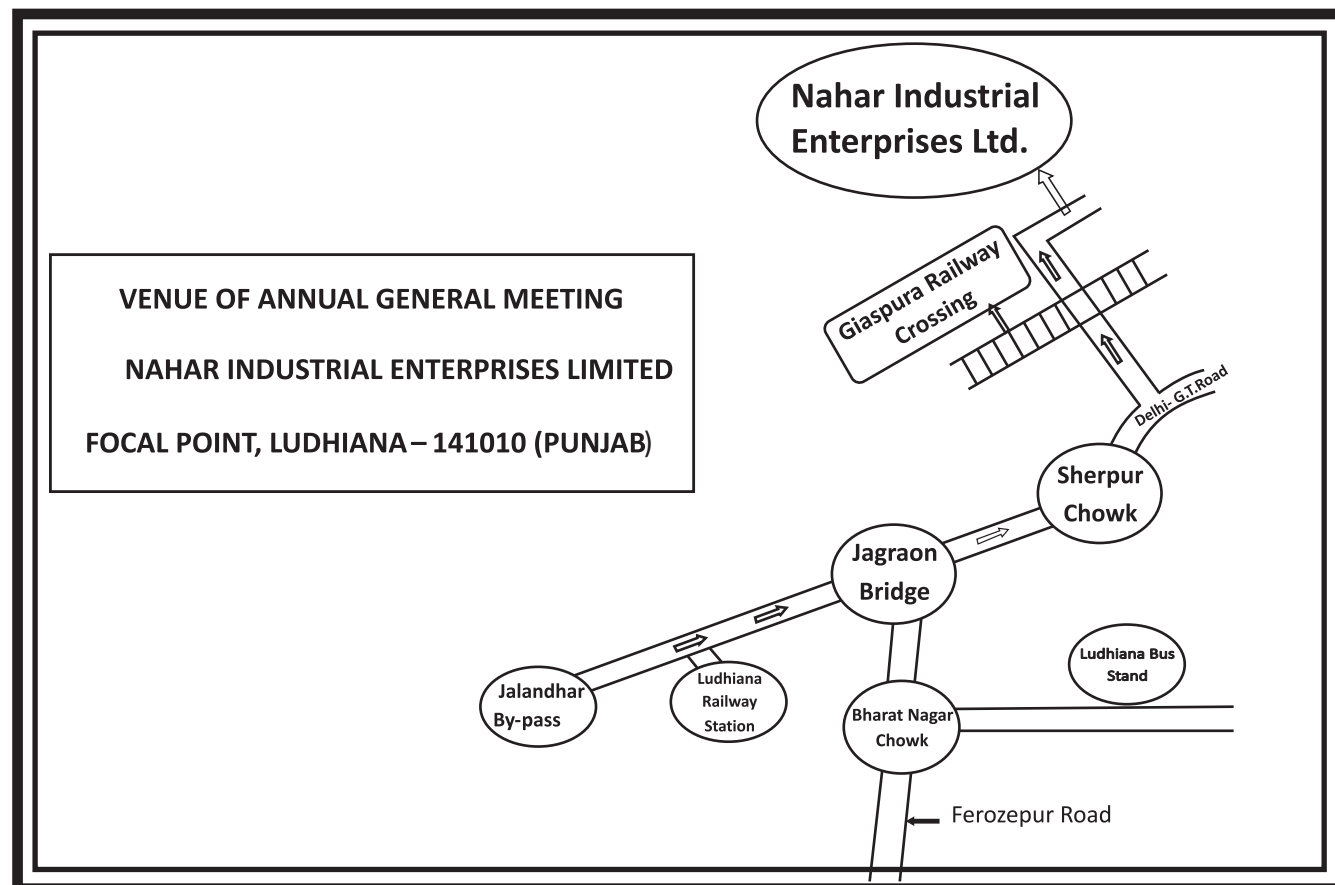
INSTRUCTIONS

1. General Instructions:

- There will be one Ballot Form/e-voting for every Client ID No./Folio No., irrespective of the number of joint holders.
- 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.
- Voting in the 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)
- 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.
- 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:

- This Form must be completed and signed by the Member who is desirous of exercising his/her vote at the 36th 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.
- 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.
- 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, 2016.
- 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.
- Members are requested to fill the Ballot Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil
- Incomplete, unsigned or incorrectly ticked Ballot Forms will be rejected.
- 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.
- The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.ownnahr.com and on the website of CDSL www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.





Performance At A Glance

Rupees in Lacs

SR. NO.	PARTICULARS	2011-12	2012-13	2013-14	2014-15	2015-16
1	OPERATING INCOME	169648	196185	220420	214962	203825
2	EXPORTS	112264	129976	142799	139320	127770
3	OTHER INCOME	932	813	696	1130	1559
4	GROSS PROFIT (Before Interest & Dep.)	2111	32436	35713	22488	23832
5	PROFIT AFTER TAX	-11720	7786	14530	2021	4989
6	CASH ACCRUALS (Before Tax & Dep.)	-8900	22160	29266	14540	18069
7	GROSS BLOCK	170190	174230	191869	203696	207995
8	NET BLOCK	83754	80247	89975	86716	82247
9	SHARE CAPITAL (PAID UP)	1805	1805	1805	1805	1805
10	NET WORTH	54876	62240	76349	76032	80370
11	DEFERRED TAX RESERVE	65	4635	6185	4317	4167
12	DEBT EQUITY RATIO	0.87	0.69	0.60	0.60	0.46
13	CURRENT RATIO	1.13	1.23	1.30	1.44	1.44
14	BOOK VALUE PER SHARE	152.16	172.58	211.70	210.82	222.85
15	EARNING PER SHARE (BASIC)	-32.50	21.59	40.29	5.60	13.83
16	FACE VALUE (PAID UP)	Rs. 5	Rs. 5	Rs. 5	Rs. 5	Rs. 5
17	DIVIDEND	0%	20%	20%	20%	30%

Glimpse of some CSR Projects undertaken by Oswal Foundation



If undelivered, please return to:



Nahar SPINNING MILLS LIMITED

Regd. Office : 373, Industrial Area - 'A' Ludhiana-141 003

E-mail : secnsm@owmnahar.com

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**NAHAR SPINNING MILLS LIMITED**

CIN: L17115PB1980PLC004341
 Regd. Office: 373, Industrial Area - A, Ludhiana - 141003
 Phone No.: 0161-2665000 Fax No.: 0161-2661180
 E-mail: secnsm@owmnahar.com Website: www.owmnahar.com

**ATTENDANCE SLIP
 E-VOTING PARTICULARS**

36th ANNUAL GENERAL MEETING

2016

I/we hereby record my/our presence at the 36th Annual General Meeting of the Company, to be held on Friday, the 30th day of September, 2016 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. 23 of the Notice of 36th Annual General Meeting, carefully before voting electronically.

ELECTRONIC VOTING PARTICULARS

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

Cut here:-

NAHAR SPINNING MILLS LIMITED

CIN: L17115PB1980PLC004341
 Regd. Office: 373, Industrial Area - A, Ludhiana - 141003
 Phone No.: 0161-2665000 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 36th Annual General Meeting of the Company, to be held on Friday, the 30th day of September, 2016 at 11.30 a.m. at the Premises of M/s. Nahar Industrial Enterprises Limited, Focal Point, Ludhiana and at its any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	'Optional'	
		For	Against
1.	ADOPTION OF FINANCIAL STATEMENTS		
2.	DECLARATION OF DIVIDEND ON EQUITY SHARE CAPITAL		
3.	APPOINTMENT OF MR. JAWAHAR LAL OSWAL AS A DIRECTOR LIABLE TO RETIRE BY ROTATION		
4.	APPOINTMENT OF MR. SATISH KUMAR SHARMA AS A DIRECTOR LIABLE TO RETIRE BY ROTATION		
5.	APPOINTMENT OF AUDITORS		
6.	RATIFICATION OF REMUNERATION OF CDST AUDITORS OF THE COMPANY		
7.	REAPPOINTMENT OF MR. DINESH OSWAL, MANAGING DIRECTOR OF THE COMPANY		

Signed this _____ day of _____, 2016

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

Office Revenue Stamp
 of Rs. 5/-

- Note: 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 36th 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.