



The Nahar Group

# 11<sup>th</sup> Annual REPORT 2016

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**Nahar**

Capital and Financial Services Ltd.

## 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. Yash Paul Sachdeva

Dr. Amrik Singh Sohi

**Chairman**

Managing Director

Director

Director

Director

Independent Director

Independent Director

Independent Director

Independent Director

Independent Director

## CHIEF FINANCIAL OFFICER

Sh. Hans Raj Kapoor

## COMPANY SECRETARY

Mrs. Anjali Modgil

## REGISTERED OFFICE

375, Industrial Area-A,  
Ludhiana-141 003, Punjab

## BANKERS

ICICI Bank Limited  
HDFC Bank Limited

## AUDITORS

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

### 11TH ANNUAL GENERAL MEETING

Day : Friday

Date : 30th September, 2016

Time : 3.30 P.M.

Place : At the Premises of  
Nahar Industrial Enterprises  
Limited, Focal Point, Ludhiana

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## NOTICE

NOTICE IS HEREBY GIVEN THAT THE **11<sup>TH</sup> ANNUAL GENERAL MEETING** of the members of **NAHAR CAPITAL AND FINANCIAL SERVICES LIMITED** will be held on **Friday, the 30th day of September, 2016 at 03:30 P.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**

- i. To receive, consider and adopt the Standalone Financial Statements of the Company for the financial year ended 31st March, 2016 and the Reports of the Board of Directors and Auditors thereon.
- ii. To receive, consider and adopt the Consolidated Financial Statements of the Company for the financial year ended 31st March, 2016 and the Report of the 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. KAMAL OSWAL AS A DIRECTOR LIABLE TO RETIRE BY ROTATION**

To appoint a director in place of Mr. Kamal Oswal (DIN: 00493213), 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 (Firm 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- 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 Mr. Dinesh Oswal, 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:

**A. Salary (Scale):** Rs. 20,00,000-2,00,000-30,00,000 per month.

**B. Perquisites:** Following perquisites shall be allowed in addition to salary:

1. **Medical Reimbursement:** Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year.
2. **Leave Travel Concession:** Leave Travel Concession for self and family once in a year incurred by him.
3. **Club Fees:** Fees of club subject to a maximum of two clubs including Admission Fees and Life Membership Fees.
4. **Personal Accident Insurance:** Personal Accident Insurance of an amount, the annual premium of which shall not exceed Rs. 10,000/-.
5. **Provident Fund and Super-annuation Fund:** Contribution to Provident Fund, Super-annuation Fund or Annuity Fund in accordance with the rules specified by the Company.
6. **Gratuity:** Gratuity payable shall not exceed half month's salary for each completed year of service.





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

8. **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 and 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 Mr. Dinesh Oswal, remuneration by way of salary and perquisites not exceeding the ceiling limits as specified under Section II of the 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** the Board of Directors of the Company, be and are hereby authorized 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 the above resolution."

**BY ORDER OF THE BOARD**

**DATE: 12<sup>TH</sup> AUGUST, 2016**

**ANJALI MODGIL**

**(COMPANY SECRETARY)**

**Regd. Office:**

**375, Industrial Area-A,**

**Ludhiana-141003**

**CIN: L45202PB2006PLC029968**

**E-mail: secncfs@owmnahar.com**

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH 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 the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto and form part of this Notice.
4. 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 the 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, unclaimed dividend upto the financial year 2007-08 has 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 in November, 2016 as per the provisions of the Companies Act. Shareholders who have not encashed their dividend warrants relating to 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's Registered Office at 375, 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 is 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 the SEBI (Listing Obligations 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 Capital and Financial Services 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 the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company is providing facility to members 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 11th 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](http://www.ownahar.com). The above said Notice will also be available on the website of CDSL i.e. [www.cdslindia.com](http://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. The instructions for voting through electronic mode:**

(i) 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 23rd September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) 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.

(iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

(iv) Click on "Shareholders" tab.

(v) Now Enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

(vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is

to be used.

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

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on Attendance Slip as provided with Annual Report.</li> <li>In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
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"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the



details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the <NAHAR CAPITAL AND FINANCIAL SERVICES LIMITED> on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) **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.**

(xx) **Note for Non- Individual Shareholders and Custodian**

- Non- Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to

link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) 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 23rd September, 2016 may follow the same instructions as mentioned above for e-Voting.

(xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). The helpdesk can also be contacted at 1800-200-5533.

(xxiii) Name, designation, address, e-mail ID and phone number of the person responsible to address the grievances connected with the e-voting:

Mrs. Anjali Modgil  
(Company Secretary and Compliance Officer)  
375, Industrial Area-A, Ludhiana-141003  
0161-2665000  
[secncfs@owmnahar.com](mailto:secncfs@owmnahar.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 favor 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 [www.ownahar.com](http://www.ownahar.com) and on the website of CDSL i.e. [www.cdslindia.com](http://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 11th 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.

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

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

### **ITEM NO. 6**

Mr. 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. Mr. Dinesh Oswal is 51 years of age. He is a commerce graduate and has more than 31 years of experience in Textile Industry and financial expertise and he has been involved in the Operations of the Company. It would be in the interest of the company if he is re-appointed as Managing Director of the Company under the category of Key Managerial Personnel. The Board, keeping in view the overall growth of the Company under his able and dynamic leadership and on the recommendation of Nomination and Remuneration Committee has decided (subject to the approval of shareholders), to re-appoint 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 Capital and Financial Services 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 Spinning Mills Limited	Managing Director
2	Nahar Poly Films Limited	Director
3	Nahar Industrial Enterprises Limited	Director

**Chairmanship of Board Committees** : NIL

**Member of Board Committees** : NIL

**Shareholding in the Company** : NIL

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

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

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

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

Your Directors recommend the resolution for your approval.

### **Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Director seeking appointment/re-appointment**

As required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of Directors who are proposed to be appointment/re-appointed are given below:

<b>1. Name</b>	<b>Mr. Jawahar Lal Oswal</b>
<b>Age</b>	73 Years
<b>Qualification</b>	Graduate
<b>Expertise</b>	Having more than 52 years experience in Textile and Woollen Industry





**Listed Companies (other than Nahar Capital and Financial Services Limited) in which Mr. Jawahar Lal Oswal holds Directorship of Board, Chairmanship and Membership of Board Committees:**

**Directorship of Board:**

Sr. No.	Name of the Company	Status
1.	Monte Carlo Fashions Limited	Chairman cum Managing Director
2.	Nahar Spinning Mills Limited	Chairman
3.	Nahar Poly Films Limited	Chairman
4.	Nahar Industrial Enterprises Limited	Chairman

**Chairmanship of Board Committees: NIL**

**Member of Board Committees: NIL**

**Shareholding in the Company: NIL**

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

<b>2. Name</b>	<b>Mr. Kamal Oswal</b>
<b>Age</b>	54 Years
<b>Qualification</b>	B.Com.
<b>Expertise</b>	Having more than 34 years experience in Textile and Woollen Industry

**Listed Companies (other than Nahar Capital and Financial Services Limited) in which Mr. Kamal Oswal holds**

**Directorship of Board, Chairmanship and Membership of Board Committees:**

**Directorship of Board:**

Sr. No.	Name of the Company	Status
1	Nahar Spinning Mills Limited	Director
2	Nahar Poly Films Limited	Director
3	Nahar Industrial Enterprises Limited	Vice Chairman Cum Managing Director

**Chairmanship of Board Committees: NIL**

**Member of Board Committees:**

Sr. No.	Name of the Company	Committee	Status
1	Nahar Industrial Enterprises Limited	Stakeholder's Relationship	Member

**Shareholding in the Company: NIL**

**Disclosure of relationship between Directors inter-se:** Mr. Kamal Oswal is son of Mr. Jawahar Lal Oswal and brother of Mr. Dinesh Oswal.

**BY ORDER OF THE BOARD**

**ANJALI MODGIL**

**(COMPANY SECRETARY)**

**DATE :12<sup>TH</sup> AUGUST, 2016**

**Regd. Office:**

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

**CIN: L45202PB2006PLC029968**

**E-mail: secncfs@owmnahar.com**

## 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: -secncfs@owmnahar.com or gredressalncfsl@owmnahar.com.*

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



## DIRECTORS' REPORT

Dear Members,

Your Directors have immense pleasure in presenting the **ELEVENTH 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 summarized below:

PARTICULARS	(Rs. in Lakhs)			
	STANDALONE		CONSOLIDATED	
	Current Year	Previous Year	Current Year	Previous Year
Profit before Tax	1316.34	2348.36	4197.10	2298.24
Less: Provision for Taxation	200.00	418.00	200.00	418.00
<b>Profit after Tax</b>	<b>1116.34</b>	1930.36	<b>3997.10</b>	1880.24
Add: Surplus of last year brought forward	79.50	57.79	29.39	57.79
	<b>1195.84</b>	1988.15	<b>4026.49</b>	1938.03
<b>APPROPRIATION</b>				
Proposed Dividend	251.19	251.19	251.19	251.19
Tax on Distributed Profits	51.14	51.14	51.14	51.14
Statutory Reserve Fund	223.00	386.00	223.00	386.00
Income Tax adjustments for prior periods	18.75	20.32	18.75	20.32
Transfer to General Reserve	600.00	1200.00	600.00	1200.00
Surplus carried to Balance Sheet	51.76	79.50	2882.41	29.39
	<b>1195.84</b>	1988.15	<b>4026.49</b>	1938.04

### FINANCIAL PERFORMANCE REVIEW AND STATE OF AFFAIRS

We would like to inform you that the disclosure requirement as per Accounting Standard -17 (AS 17) issued by the Institute of Chartered Accountants of India, New Delhi, are not applicable to the Company as the main business activities of Company falls under single segment namely 'Investment/Financial Activities' comprising of Long Term Investment Activities i.e. Long Term Capital, Strategic Investments and Short Term Investment Activities i.e. Trading Investment.

Further, pursuant to the requirements of Section 129(3) of

the Companies Act, 2013, the Company has consolidated the Financial Statements for the year ended 31st March, 2016 in respect of its Associate Companies. We would like to brief you regarding the financial performance of the Company on standalone as well as consolidated basis, which is as under:-

### STANDALONE FINANCIAL PERFORMANCE

On standalone basis, the Company earned operating/other income of Rs. 1898.30 Lakhs during the year under review as against Rs. 2556.70 Lakhs in the previous year. It earned a profit before tax of Rs.1316.34 Lakhs as against Rs.2348.36 Lakhs in the previous year. After providing provision for taxation of Rs. 200.00 Lakhs, it earned a net profit of Rs. 1116.34 Lakhs in the current year as against Rs. 1930.36 Lakhs in the previous year. Profits for the year under review declined mainly due to lower income in real estate activities as project at Chennai completed in the year 2015. Further, the Company has paid arrears of remuneration to Managing Director of the Company as per Central Government's approval vide its letter no. SRN C36933985/2014-CL.VII dated 17<sup>th</sup> February, 2016.

### CONSOLIDATED FINANCIAL PERFORMANCE

On consolidated basis, the Company earned operating/other income of Rs. 1795.72 Lakhs during the year under review as against Rs. 2360.76 Lakhs in the previous year. It earned a profit (including profit of associates) before tax of Rs. 4197.10 Lakhs as against Rs. 2298.24 Lakhs in the previous year. After providing provision for taxation of Rs. 200.00 Lakhs, it earned a net profit of Rs. 3997.10 Lakhs for the current year as against Rs. 1880.24 Lakhs in the previous year.

### TRANSFER TO RESERVE

After appropriation of Profits (as per details mentioned under the head Financial Performance), an amount of Rs. 223 Lakhs has been transferred to Statutory Reserve Fund and Rs. 600 Lakhs has been transferred to General Reserve thereby increasing the Company's Reserves to Rs. 497.64 Crores as on March 31, 2016.

### 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. 2.51 Crores.

The dividend, if approved at the forthcoming Annual General Meeting, will be paid out of profits of the Company for the year under reference to all those shareholders whose names shall appear in the Register of Members on 9th September,